



MER Tax, Accounting, and Consulting

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Business Name: _____

Date: _____

This letter is to confirm my understanding of the terms and objectives of my engagement, and the nature and limitations of the services I will provide.

This letter confirms the services you have asked my firm to perform and the terms under which I have agreed to do that work. Please read this letter carefully because it is important to both my firm and you that you understand what you can and cannot expect from my work. In other words, I want you to know the limitations of the services you have asked us to perform. If you are confused at all by this letter or believe I have misunderstood what you need, please call to discuss this letter before you sign it.

I will compile, from information you provide, the annual Balance Sheet – Income Tax Basis and the Profit & Loss - income tax basis of Green Dreams, Inc. as of the month ended June 30, 2011 and issue an accountant's report thereon in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. These financial statements will be presented in accordance with the basis of accounting used by the company for Federal income tax purposes (which is a method other than accounting principles generally accepted in the United States of America), except that substantially all disclosures required by such basis will be omitted. A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. The objective of a compilation is to assist you in presenting financial information in the form of financial statements. I will utilize information that is your representation without undertaking to obtain any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with the Federal income tax basis of accounting. I will not audit or review the financial statements and, accordingly, will not express an opinion or any other form of assurance on them.

You are responsible for

- a. The preparation and fair presentation of the financial statements in accordance with the Federal income tax basis of accounting,
- b. Designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.
- c. Preventing and detecting fraud.
- d. Identifying and ensuring that the entity complies with the laws and regulations applicable to its activities.
- e. Making all financial records and related information available to us.

I am responsible for conducting the engagement in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation differs significantly from a review or an audit of financial statements. A compilation does not contemplate performing inquiry, analytical procedures, or other procedures performed in a review. Additionally, a compilation does not contemplate obtaining an understanding of the entity's internal control; assessing fraud risk; tests of accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Accordingly, I will not express an opinion or any assurance regarding the financial statements being compiled.

My engagement cannot be relied upon to disclose errors, fraud, or illegal acts.

You agree to provide us with requested information, documentation, and explanations of supporting data to be included in our financial statements on a timely basis. If you fail to comply with this requirement or any of the terms of this engagement, as outlined herein, I reserve the right to withdraw from this engagement without completing your financial statements.

Although I will inform the appropriate level of management of any material errors and of any evidence or information that comes to my attention during the performance of the compilation that fraud or an illegal act may have occurred, this engagement cannot be relied upon and will not include any procedures designed to detect or disclose or report fraud, errors, theft or illegal acts and you agree that I will have no responsibility to do so. I do not obtain, receive, re-read or look at cancelled checks or copies as part of a compilation.

You may request that I perform additional services not contemplated by this engagement letter. If this occurs I will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional services may necessitate that I amend this letter or issue a separate engagement letter to reflect the obligations of both parties. *In the absence of written communications from us documenting any other services, my services will be limited to and governed by the terms of this engagement letter.*

In the unlikely event that circumstances occur which I in my sole discretion believe could create a conflict with either the ethical standards of my firm or the ethical standards of my profession in continuing my engagement, I may suspend my services until a satisfactory resolution can be achieved, or I may resign from the engagement without issuing a report. I will notify you of such conflicts as soon as practicable, and will discuss with you any possible means of resolving them prior to suspending my services.

It is my policy to keep records related to this engagement for a minimum of **four years** after which they are destroyed. However, I do not keep any original client records, so I will return those to you at the completion of the services rendered under this engagement. When records are

returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

In the interest of facilitating my services to your company, I may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential to your company. While I will use my best efforts to keep such communications secure in accordance with my obligations under applicable laws and professional standards, you recognize and accept that I have no control over the unauthorized interception of these communications once they have been sent and consent to my use of these electronic devices during this engagement.

My fee for these accounting services will be based on my standard rates and the time required, plus out of pocket expenses. Billings become delinquent if not paid within 30 days of the invoice date. If billings are not paid within 60 days of the invoice date, at my election, I will stop all work until your account is brought current, or I will withdraw from this engagement. You acknowledge and agree that I am not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement letter. You further acknowledge and agree that in the event I stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this engagement letter, I shall not be liable to you for any damages that occur as a result of my ceasing to render services. My services will conclude upon delivery of the completed financial statements discussed above or upon my suspension of services or resignation from the engagement.

In the event that I receive a summons or subpoena requesting that I produce documents from this engagement or testify about this engagement, I will notify you prior to responding to it if I am legally permitted to do so. You may, within the time permitted for my firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, I may construe your inaction or failure as consent to comply with the request. In the event that any portion of this engagement letter is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this engagement letter.

In recognition of the relative risks and benefits of this agreement to both Green Dreams, Inc and MER Tax, Accounting, and Consulting, Green Dreams, Inc and MER Tax, Accounting, and Consulting have discussed and have agreed on the fair allocation of risk between them. As such, Green Dreams, Inc agrees, to the fullest extent permitted by law, to limit the liability of MER Tax, Accounting, and Consulting to Green Dreams, Inc for any and all claims, losses, costs, and damages of any nature whatsoever, so that the total aggregate liability of MER Tax, Accounting, and Consulting to Green Dreams, Inc shall not exceed MER Tax, Accounting, and Consulting total fee for services rendered under this agreement. Green Dreams, Inc and MER Tax, Accounting, and Consulting intend and agree that this limitation apply to any and all liability or cause of action against MER Tax, Accounting, and Consulting, however alleged or arising, unless otherwise prohibited by law. Both parties agree that there is a one-year limitation period to bring a claim against MER Tax, Accounting, and Consulting for errors and omissions. The

one-year period will begin upon the date of MER Tax, Accounting, and Consulting or their representative's signature on the statements covered by this engagement letter.

I appreciate the opportunity to serve you. Please date and sign the enclosed copy of this letter to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement. It is my policy to initiate services after I receive the executed engagement letter. If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected and all other provisions remain in full force and effect.

Sincerely,



M. E. Richey, CPA
MER Tax, Accounting, and Consulting

I appreciate the opportunity to serve you. By your signature below, you acknowledge that you understand and agree that my services are limited in scope and they are not designed to detect fraud, employee embezzlement or other fraudulent activities involving your bank accounts.

(Business Name) _____

By: _____ Title: _____