



Dear Client:

This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we request all clients for whom we prepare income tax returns to confirm the following arrangements:

We will prepare your federal and requested state individual income tax returns for calendar year 2010. We will provide questionnaires and worksheets to guide you in organizing the information we need to prepare your tax returns. It is your responsibility to provide us with all the information necessary for the preparation of complete and accurate income tax returns. We will not verify the information you give us; however, we may ask for additional clarification of some information. **You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them.** You should retain all documents, canceled checks, and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority.

Your returns are subject to examination by taxing authorities. In the event of an audit, the taxing authorities may request you produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. If an examination occurs, we will represent you if you desire; however, these additional services are not included in our fee for preparation of your returns. Billing for such services will be at our standard rates.

It is important you know the law imposes a penalty if a taxpayer makes a substantial understatement of tax liability. We are available at your request to advise you on other tax matters that arise during the year. Our policy is to put significant tax planning advice in writing. Therefore, you should not rely on any unwritten advice because it may be tentative and not yet fully reviewed.

Certain communications involving tax advice between you and our firm may be privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone or by turning over information about those communications to the government, you may be waiving this privilege. To protect your right to privileged communication between yourself and our firm, please consult with us or your attorney prior to disclosing any information about our tax advice.

If, during our work, we discover information affecting your prior year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue.

We may communicate by facsimile or electronic mail. Such communications may include confidential information. We employ measures designed to provide reasonable assurance that data security is maintained. While we will use our best efforts to keep such communications secure, you recognize and accept we have no control over the unauthorized interception of these communications once they have been sent. Unless you issue specific instructions to do otherwise, we will assume you consent to our use of facsimile transmissions to your representatives and other use of these electronic devices as we deem appropriate.



The fees for tax services will reflect our standard hourly rates for the time spent, plus out-of-pocket expenses. All invoices are due upon receipt. Balances owing for over 30 days are subject to 1.5% interest per month.

It is our policy to prepare client tax returns in the order in which they were received. We attempt to complete the return within approximately two weeks of receiving all the relevant information. However, if we receive your information after March 25th, we cannot promise we will have the return finished by April 18th. Because of the greater likelihood of error when work is completed in a hurry, returns that are substantially incomplete as of March 25th will be extended. Extensions are relatively automatic and can be prepared by us.

An extension permits a later filing of the return but **does not extend the time for paying any tax due**. We will still need to estimate the amount of tax owed and have you pay it with the extension. If you are required to make estimated payments, the April 18th installment would also have to be made. Normally that first estimated payment for 2011 would be added to the tax still owed for 2010 and would be paid with the extension.

At the conclusion of this engagement, we will return any original records you supplied to us. Your records comprise the primary backup and support for your tax returns. Our policy is to destroy our annual tax return engagement files and all pertinent working papers after a retention period of seven years (or longer, if required by law or regulation), after which time these items will no longer be available. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period. We retain the right to modify our retention policies at any time without notice.

If the tax services and terms outlined above are in accordance with your understanding of our engagement, please sign this letter in the space provided and return it with the completed organizer. We appreciate this opportunity to serve you. If you have any questions or need any additional information, please do not hesitate to call.

Sincerely,

Brian Berlage, CPA

The foregoing is in accordance with my understanding of your engagement to provide tax services. The terms described in this letter are acceptable and are hereby agreed to.

AGREED TO AND ACCEPTED:

Accepted by: _____ Date: _____

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