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*A PROFESSIONAL CORPORATION
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§ ADMITTED IN CALIFORNIA

***Request for Information and Engagement Letter
2010 Business Income Tax Return Preparation***

Thank you for choosing our office to assist you with the preparation of your 2010 Business Income Tax Return. We look forward to working with you this year and are pleased to confirm our understanding of the arrangements for your income tax return. Please read this letter carefully because it is important to both our firm and you that you understand what you can expect from our services. In other words, we want you to know the limitations of the services you have asked us to perform. If you are confused at all by this letter, please call to discuss this letter before you sign it.

A Corporation Income Tax Return (S-Corporation, C-Corporation) is due on or before March 15, 2011 and a LLC/Partnership Income Tax Return is due on or before April 18, 2011. However, an additional extension of time to file may be requested before the due date, allowing you to extend your tax return until September 15, 2011. The extension is an extension of time to file your tax return and not an extension to pay any tax liability due. If the tax return is not timely filed, the IRS can assess a late filing penalty. Please submit your information to our office as soon as possible if you would like your business taxes completed by the deadline. We will charge you a \$30 fee to prepare a business income tax return extension. However, when we complete your tax return, this amount will be deducted from your final tax return preparation bill.

In order to assist in the preparation of your income tax return, we have attached a **“Checklist for Business Tax Information”** that may assist you in gathering your business information.

We will require a retainer prior to starting the work. **This retainer is to be applied to the final billing.** A retainer of \$300.00 is necessary to begin work on this engagement. When information is requested but not received within a reasonable amount of time, progress billings will be applied to your account.

The basic rate for the preparation of your Business Tax Return is \$600.00. There will be additional fees based on our hourly rates for bookkeeping and/or accounting assistance services if needed. You will be contacted with an estimate of charges if they are above the basic rate for your approval. You may be subject to extra bookkeeping and/or accounting assistance if we have to prepare any of the following items: preparation of balance sheet, income statement, purchase and/or sale of real property, yearly activity, etc. There could also be extra fees for the preparation of additional tax schedules or significant tax reporting requirements such as: IRA, LLC's, 1031 exchanges, etc.

Performing any bookkeeping is a necessary step for preparation of the income tax returns. It is a separate service and may require a separate engagement letter and retainer.

All invoices are due and payable upon completion of the income tax return and all major credit cards are accepted. It is agreed and acknowledged that any unpaid balance pursuant to this Engagement Letter is subject to interest at the rate of Eighteen Percent (18%) per annum, collection charges (which may be as much as 50%), court costs and reasonable attorney fees. It is agreed and acknowledged that any returned or dishonored check will result in a \$25.00 check charge, and shall be subject to the provisions contained in U.C.A. §7-15-1 and U.C.A. §76-6-505. It is agreed and acknowledged that failure to make payment as provided by this Engagement Letter constitutes a breach of this Engagement Letter and shall immediately be entitled to all remedies available under the law. It is agreed and acknowledged that this shall be governed by the laws of the State of Utah and that venue shall be Cedar City, Iron County.

When your tax information has been submitted, our office will contact you to make arrangement for the retainer to be paid. Once the retainer is received, your file(s) will be turned over to the accountant assigned to you. The staff accountant will contact you to assist with your account, gathering any additional information, and the preparation of your income tax return. They will also consult with you during the preparation process regarding tax minimization and tax planning. A CPA will review the return and will be available at your request to consult with you regarding any questions you may have regarding your return. Additional consultations for future tax planning may be scheduled with a CPA as needed and will be invoiced at our standard billing rates. Once the tax return is complete, our office will call you to go over your final invoice. When the tax return has been paid in full, we will make shipping arrangements and release your tax return.

Our engagement is designed to prepare the federal, state and local income tax returns along with supporting schedules. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information.

You are responsible for the proper recording of financial activities, for the safeguarding of assets, and for the substantial accuracy of your financial records. We recommend you retain all documents, canceled checks and other data that form the basis of income and deductions for up to six years. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. Therefore, please send photocopies. ***Do not send originals. Please remember you have the final responsibility for the income tax returns and the information you submit.*** You should review the tax returns carefully before you sign them.

This engagement is for the preparation of your income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. The engagement does not include any services not specifically stated in this letter. However, we would be pleased to consult with you regarding income tax matters such as proposed or completed transactions, income tax projections, and for research in connection with such matters. We will render additional invoices for such services at our standard billing rates.

We will use our professional judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor, whenever possible. The law provides various penalties that may be imposed when taxpayers understate their tax liability. If you would like information on the amount or circumstances of these penalties, please contact us.

If we conclude that we are obligated to disclose a position and you refuse to permit disclosure, we reserve the right to withdraw from the engagement. Likewise, where we disagree about the obligation to disclose a position, you also have the right to choose another professional to prepare your return. In either event, you agree to compensate us for our services to the date of the withdrawal.

Your returns may be selected for review by the taxing authorities. In the event of such government tax examination, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred.

This letter confirms the services you have asked our firm to perform and the terms under which we have agreed to do that work. Please read this letter carefully because it is important to both our firm and you that you understand what you can and cannot expect from our work. **To formalize our relationship, we respectfully ask that you return to our office a signed copy of this letter. With the return of this signed engagement letter, we can confirm the preparation of your 2010 tax return(s), we will file an extension (if necessary) on your behalf at the tax deadline(s), and we will be able to begin work on your file once we receive the necessary information.** Thank you again for your business.

Very truly yours,

KOHLER & EYRE, CPA'S, LLP:

Mark J. Kohler, CPA, JD
LaDell J. Eyre, CPA

CLIENT ACKNOWLEDGMENT:

Business Name (Print)

Officer/Partner/Member (Print)

Officer/Partner/Member Signature

Date

Checklist for Business Tax Information

In order to prepare your 2010 business income tax return, we will need the following financial information. **Please send photo copies. Do not send originals.**

Financial Statements as of December 31, 2010 (Income statement and Balance Sheet)

*These statements should tie to your beginning balance as of January 1, 2010 and your last year's tax return. Also, all of your bank statements should be reconciled and your bank balances accurate as of December 31, 2010. If you are unable to provide the requested info, our accounting staff is willing and able to assist with this process.

Any Closing Statements (HUD-1s) for real estate purchased and/or sold during the year.

Interest statements and mortgage balances for any loans as of December 31, 2010, including escrow activity and balances.

Beginning balance, interest rate, term and payment amount for any other loans and the asset(s) associated with them.

Inventory balances as of December 31, 2010 (if applicable).

Note any changes in ownership, address of company, or addresses of partners, members, or shareholders.

Property management statements regarding income and expenses for rental properties owned.

If we did not prepare your prior year income tax returns, please provide a copy of the last two years returns.

Signed Engagement Letter, we cannot begin the processing of your information unless we have a signed copy returned to us.

Retainer arrangements have been made with the office. We cannot begin the processing of your information without it.

As an aside, if you are using QuickBooks as your accounting software program, we would recommend that you create a 'back-up' or 'accountant's copy' and email or send a copy of your QuickBooks to our office. With technological capabilities, we also have the ability to login to your computer and download the data for you if needed.