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Request for Information and Engagement Letter
2010 Individual Income Tax Return Preparation

Thank you for choosing our office to assist you with the preparation of your 2010 Individual 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.

An Individual Income Tax Return is due by 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 due date until October 17, 2011. **The extension is an extension of time to file your tax return and not an extension to pay any tax liability due. If any tax is due or you think it may be due, you must pay that amount to the IRS and any applicable state taxing agency by the April 18th filing date. If payment is not made timely, there will be penalties and interest due.** Please submit your information to our office as soon as possible if you would like your individual income taxes completed by the deadline. We will charge you a $30 fee to prepare an individual 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 Individual Tax Information"** that may assist you in gathering your individual information.

We require a retainer prior to starting work. **This retainer is applied to the final billing**. A retainer of $150.00 is necessary to begin work on this engagement.

The basic rate for the preparation of your Individual Tax Return is $300.00. There will be additional fees based on our hourly rates for bookkeeping and/or accounting 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: Schedule C-Sole Proprietorship, Schedule E-Rental activity, Schedule F-Farming, 1031 exchanges, etc.

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 photo copies. ***Do not send originals*. Please remember you have the final responsibility for the income tax returns and the information you submit.** You should always review your 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:	CLIENT ACKNOWLEDGMENT:
Mark J. Kohler, CPA, JD LaDell J. Eyre, CPA	______________________________ Client Signature
	______________________________ Client Name (Print)
	______________________________ Date

<u>Checklist for Individual Tax Information</u>

In order to prepare your 2010 individual income tax return, we will need the following financial information. **Please send photocopies.** **<u>Do not send originals</u>**.

- ❑ Form(s) W-2 (wages, etc.)
- ❑ Form(s) 1099 (interest, dividends, etc.)
- ❑ Schedule(s) K-1 (income/loss from all partnerships, S corporations, etc.)
- ❑ Form(s) 1098 (mortgage interest) and property tax statements.
- ❑ Brokerage statements from stock, bond or other investment transactions, including purchase date and price of all securities sold.
- ❑ Closing statements pertaining to real estate or business transactions.
- ❑ Financial statements for any rental properties, farm operations, or sole proprietor businesses.
- ❑ Contributions to retirement plans including 401(k), traditional IRA, Roth IRA, etc.
- ❑ Contributions to Health Savings Account or College Savings Plans.
- ❑ If we did not prepare your 2009 income tax return, please provide a copy of the last two years returns along with birth dates for yourself, spouse, and all dependents.
- ❑ Any new dependents in 2010 along with birthdates and social security numbers.
- ❑ Any change of address during the 2010.
- ❑ Any Federal and/or State estimated tax payments made for 2010 including dates and amounts.
- ❑ 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.

If it would be convenient for you, we can provide a 2010 Tax Organizer that will assist you in collecting and reporting information necessary for us to properly prepare your 2010 individual income tax return. To request an organizer, call Lacy Carter at our office (435) 865-5866 or send an email to lacy@kohlereyrecpas.com.