

December 29, 2009

2009 1040 Tax Return Terms and Conditions

The original filing due date for your income tax return(s) is April 15, 2010, for federal and state returns. It may be necessary to apply for an extension of the filing deadline if there are unresolved tax issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis. If you are unable to complete and return the enclosed tax organizer with the required documentation to us by March 20th 2010, to allow for the timely preparation of your tax return(s), you must contact us and request that we apply for an extension of the filing deadline on your behalf. Applying for an extension of time to file may extend the time available for a government agency to undertake an audit of your return(s) or may extend the statute of limitations. Additionally, extensions may affect your liability for penalties and interest or compliance with government and other deadlines.

If you have derived income from a foreign country, we will use the foreign country income information which you provide to calculate any applicable federal or state foreign tax credit or other affected federal or state income tax items. However, you are responsible for meeting any foreign country income tax or other foreign country reporting requirements. If you invest \$10,000 in a foreign country, the IRS requires that you disclose this on Form 1040. Without your notification of such foreign investments, we will assume that you do not have any amounts invested over \$10,000 outside of the United States.

You may request that we perform additional services not contemplated by this engagement letter. If this occurs we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional services may necessitate that we 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 such services, our services will be limited to and governed by the terms of this engagement letter.

Our fee does include responding to inquiries by taxing authorities. Our fee does not include examination and audits by taxing authorities. However, we are available to represent you, which would be covered under a separate engagement letter.

This engagement letter represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations, or agreements, written or oral, regarding these services. It shall be binding on the heirs, successors, and assigns of you and us.

It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns, including but not limited to the auto, travel, entertainment, and related expenses and the required documents to support charitable contributions. If you have any questions as to the type of records required, please ask us for advice in that regard. It is also your responsibility to carefully examine and approve your completed tax return(s) before signing. We are not responsible for the disallowance of deductions due to inadequately supported documentation, nor for resulting taxes, penalties, and interest. We will rely, without further verification, upon information you provide to us from 3rd parties including, but not limited to, K1s, 1099s, 1098s, receipts and similar items.

We will use our professional judgment in preparing your returns. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. We will adopt whatever position you request on your return so long as it is consistent with the codes, regulations, and interpretations that have been promulgated. If the IRS should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments.

New privacy laws, established by the IRS effective 1/1/09, now prohibit us from providing confidential information or copies to anyone other than you without your specific, written authorization. Please expect to provide that written authorization before we can release any of your confidential information.



If we are asked to disclose any privileged communication, unless we are required to disclose the communication by law, we will not provide such disclosure until you have had an opportunity to argue that the communication is privileged. You agree to pay any and all reasonable expenses that we incur, including legal fees, that are a result of attempts to protect any communication as privileged. In addition, your confidentiality privilege can be inadvertently waived if you discuss the contents of any privileged communication with a third party, such as a lending institution, a friend, or a business associate. We recommend that you contact us before releasing information to a third party.

It is our policy to keep records related to this engagement for seven (7) years after which they are destroyed. However, we do not keep any original client records, so we 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. Prior to each tax-filing season, we send client organizers to our clients as a convenience to assist them with gathering their tax information. If you move or do not wish to receive an organizer, please notify us or we will send the organizer to the address we used previously.

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential to you. All confidential information sent to you or third parties at your direction will be sent via secure transmissions and/or password protected. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once sent and consent to our use of these methods during this engagement.

From time to time during our relationship, you may seek our advice with regard to potential investments. We are not investment advisors. Accordingly, we suggest that you seek the advice of qualified investment advisors appropriate to each investment being considered. Unless otherwise specifically agreed to in a separate engagement letter or in a written addendum or amendment to this engagement letter signed by the parties, we will not advise you regarding the economic viability or consequences of an investment or whether you should or should not make a particular investment.

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 our election, we may stop all work at our discretion until your account is brought current, or we will withdraw from this engagement. You acknowledge and agree that we are 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 we 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, we shall not be liable to you for any damages that occur as a result of our ceasing to render services. Our services will conclude upon delivery of the completed income tax returns or upon our suspension of services or resignation from the engagement.

Either party is free to terminate this engagement at any time, without the need of an explanation and with or without cause. In that event, you will be responsible for all fees, expenses, and disbursements incurred through the date of termination. We will work with you to effect an orderly transition.

We appreciate the opportunity to serve you. It is our policy to initiate services after we 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. If you have any questions at all, please feel free to call us.

Tracey S. Peters, CPA

