



Tax Year 2010 - Engagement Agreement for Businesses & Trusts

Please Sign and Return

This letter is to confirm and specify the terms of our engagement for the tax year 2010 and to clarify the nature and extent of the tax services we will provide.

Our engagement is limited to performing the following services:

1. Prepare the federal and State of Colorado income tax returns and any other state returns you request from information you furnish us. We are not responsible for state returns not requested. We are under no duty to review the information you provide to determine whether you may have a filing obligation with another state. If we become aware of any other filing requirement, we will tell you of the obligation and may prepare the appropriate returns at your request once a written addendum to this engagement agreement is signed.
2. Prepare any bookkeeping entries we find necessary in connection with preparation of the income tax returns.

This engagement letter does not cover the preparation of any financial statements, which, if we are to provide, will be covered under a separate engagement letter.

You are responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure of all relevant facts affecting the return(s) to us. You also have final responsibility for the tax return and, therefore, the appropriate officials should review the return carefully before an authorized officer signs and files it.

You are responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee the bookkeeping and tax services we provide; and for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

You should also know that IRS audit procedures will almost always include questions on bartering transactions and on deductions that require strict documentation such as charitable contributions, travel and entertainment expenses and expenses for business usage of autos, computers, and cell phones. In preparing your returns, we rely on your representations that we have been informed of all deductions and that you understand and have complied with the documentation requirements for your expenses and deductions. If you have questions about the type of records required, please contact us.

We may provide you with a questionnaire or other document requesting specific information. Completing those forms will assist us in making sure you are well served for a

reasonable fee. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that you have disclosed to us all relevant facts affecting the returns. We will not verify the information you give us; however, we may ask for additional clarification of some information.

If, during our work, we discover information that affects 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 will be happy to prepare appropriate amended returns as a separate engagement.

Our work in connection with the preparation of the tax return(s) does not include any procedures designed to discover defalcations or other irregularities, should any exist. The returns will be prepared solely from information provided to us without verification by us.

The firm may from time to time, and depending on the circumstances, use third-party service providers to assist in preparing your return. We will have you sign a separate disclosure if this becomes necessary.

In accordance with federal law, in no case will we disclose your tax return information to any location outside the United States, to another tax return preparer outside of our firm for purposes of a second opinion, or to any other third party for any purpose other than to prepare your return without first receiving your consent.

We will use our judgment to resolve questions in your favor where a tax law is unclear if there is a reasonable justification for doing so. 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 follow whatever position you request, so long as it is consistent with the codes and regulations and interpretations that have been promulgated and in accordance with our professional standards. 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. In the event, however, that you ask us to take a tax position that in our professional judgment will not meet the applicable laws and standards as promulgated, we reserve the right to stop work and shall not be liable to you for any damages that occur as a result of ceasing to render services.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

It is our policy to keep records related to this engagement for seven (7) years. However, we do not keep any of your original records, so we will return those to you upon the completion of the engagement. When records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies. By signing this engagement letter, you acknowledge and agree that upon the expiration of the seven year period, we are free to destroy our records related to this engagement.

Certain communications involving tax advice are 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, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged

communication, you agree to provide us with written, advance authority to make that disclosure.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

The return(s) may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available, upon request, to represent you. However, such additional services are not included in the fees for the preparation of the tax return(s).

Our fees for tax services will be based in part upon the amount of time required at our standard billing rates for the personnel working on the engagement, plus out-of-pocket expenses. All invoices are due and payable upon presentation. For longer projects, statements are sometimes presented monthly for work performed during the month. Amounts not paid within 30 days from the invoice date will be subject to a late payment charge of 1.5% per month (18% per year).

We have the right to withdraw from this engagement, in our discretion, if you don't provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests, misrepresent any facts or fail to pay our bill for fees. Our withdrawal will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

In the event of a dispute related in any way to our services, our firm and you agree to discuss the dispute and, if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorneys' fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identity for purposes of the award of attorneys' fees.

Consent to Use of Tax Return Information

Federal law requires this consent form be provided to you. Unless authorized by law, we cannot use, without your consent, your tax return information for purposes other than the preparation and filing of your tax return.¹

You are not required to complete this form. If we obtain your signature on this form by conditioning our services on your consent, your consent will not be valid. Your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year.¹

By signing this consent we may use your tax return information to suggest various tax saving ideas, changes in tax laws that impact your company, retirement plan options, insurance and

financial products and mailings, including electronic transmission of JBSK newsletters, press releases, upcoming seminars and other JBSK announcements. To determine whether any of this may be of interest to you, we will need to use your tax return information. If you would like us to use your tax return information in this manner, please sign this consent form below. **If not, please mark through this section of the engagement letter and initial. If we are not able to use your tax information in this manner, the value of our services will be limited.**

It is anticipated that we will use your tax return information in future years in a similar manner, and as such, the consent to this use of tax return information shall remain in effect April 30, 2014, or until it is revoked by you.

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by email at complaints@tigta.treas.gov ¹

By signing below, I authorize JBSK CPAs LLP, its partners and employees, to use the information provided during the preparation of my tax return, including my entire return, for the uses discussed above. I understand I have the right to limit the consent to specific information, not just authorize use of the entire return. Recognizing that right, I consent to the use of my entire tax return.

¹ These paragraphs required by IRS Rev. Proc 2008-35. The exact wording must be used.

(End of “Consent to Use of Tax Return Information” section)

If the foregoing correctly sets forth your understanding of our tax engagement, please sign this letter in the space below and return it to our office. If you disagree with any of these terms, please notify us immediately.

We want to express our appreciation for this opportunity to work with you.

Very truly yours,

JBSK CPAs LLP

Agreed and accepted by: _____
Signature Date

_____ On Behalf Of:

Print Name & Title

Name of Business

ADDENDUM TO THE 2010 TAX YEAR BUSINESS TAX ENGAGEMENT AGREEMENT

(Note: This Addendum is not needed if the only state filing required is Colorado)

LIST OF ADDITIONAL STATE TAX RETURN PREPARATION RESPONSIBILITIES

(Other than Colorado)

FOR

Initial

1. _____ 2010 State of _____ Business Income Tax Return
2. _____ 2010 State of _____ Business Income Tax Return
3. _____ 2010 State of _____ Business Income Tax Return

JBSK Approval _____ Dated _____

Client Approval _____ Dated _____

Print Name _____