



Date: \_\_\_\_\_

This letter is to confirm and specify the terms of our engagement with \_\_\_\_\_ (the "Company") for the year ended December 31, 2009, and to clarify the nature and extent of the services we will provide. The terms "you and your" will apply to the Company.

### **Tax Compliance Services**

We will prepare federal and requested state LLC/partnership tax returns and supporting schedules from information that you will furnish us. We will assume that we should prepare the same federal and state returns filed in the prior year unless you notify us to the contrary. We will not audit or independently verify the data you submit. However, we may ask for clarification of some of the information.

The tax returns and related financial information that we prepare are for compliance with taxing authorities and are not prepared in accordance with generally accepted accounting principles (GAAP). Therefore, these items should not be relied upon for financial information.

**Your 2009 partnership return is due April 15, 2010. If we have not received all of the requested information by March 31, 2010, we will prepare extension requests as appropriate. An extension will extend the time to file your partnership return to September 15, 2010.** Applying for an extension of time to file may extend the time available for a government agency to undertake an audit of your return or may extend the statute of limitations. Filing an extension does not extend the due date for paying your tax, if applicable (Utah State Nonresident Composite Tax Return). **Any amounts not paid by the filing deadline may be subject to interest and late payment penalties. In addition, the IRS imposes a late filing penalty of \$195 for each month the return is late multiplied by the number of partners in the partnership.**

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover errors, defalcations or other irregularities, should any exist. However, we will inform you of any such matters that come to our attention.

We will use 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. Because an LLC/Partnership is an entity whose tax attributes generally flow through to its members/partners, the penalty for substantial understatement of tax relating to LLC/Partnership items may be imposed at either the LLC/Partnership or member/partner level.

Management is responsible for the proper recording of transactions in the books of accounts, for the safeguarding of assets, and for the substantial accuracy of the financial records. We will return your original records with your copy of the tax return. **Management has the final responsibility for the income tax returns and, therefore, the appropriate corporate officials should review them carefully before signing and mailing them.**

All returns are subject to examination by the taxing authorities. In the event of an examination, The Company may be requested to produce documents, records, or other evidence to substantiate the items of income and deductions shown on the tax returns. In preparing your returns, we rely on your representations that you understand and have complied with applicable documentation requirements for the company's expenses, deductions, and credits. If an examination occurs, we will be available, upon request, to assist or represent the Company. Such additional services are not included in our fee for preparation of the returns specified in this letter.

You are responsible for management decisions and for the performance of all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee the tax services we provide; and for evaluating the

adequacy and results of those services and accepting responsibility for them. You are also responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

### **Tax Consulting Services**

This engagement letter also covers tax consulting matters that may arise for which you seek our advice and consultation. Due to the additional requirements imposed by the Internal Revenue Service, all tax advice will be written and will follow the procedural requirements outlined in Circular 230. We will base our conclusions on the facts and assumptions that you submit and will not independently verify this information. Inaccuracy or incompleteness of the information you provide could have a material effect on our conclusions. In rendering our advice, we may consider, for example, the applicable provisions of the Internal Revenue Code of 1986, as amended, the regulations thereunder, and judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes could affect the validity of our advice. Unless you specifically request otherwise, we will not update our advice for subsequent changes or modifications to the law and regulations, or to the judicial and administrative interpretations thereof.

You agree that written advice provided to the Company is for the Company's information and use only and will not be provided to any third party without our express written permission.

To be of greatest assistance to the company, we should be advised **in advance** of proposed transactions. If such matters exceed the scope of this engagement letter, we will issue additional **engagement** letters to confirm the scope and related terms of the engagements.

### **Additional Engagement Terms**

If, in the course of preparing your 2009 partnership return, we encounter significant accounting issues or adjustments we will contact you. Our fee to prepare your returns does not consider additional time required for accounting. Any time required for accounting services will be an additional fee based at our normal hourly rates.

We have elected to file all partnership returns electronically with the Internal Revenue Service Center and state taxing authorities. You must review the income tax returns and sign and return form 8879-PE, e-file authorization, before it can be electronically transmitted. We will send you (by e-mail, fax, mail, or client portal) a complete review copy of the return with an e-file authorization form. We are not responsible for the length of time it takes the IRS to process your return. Our fee for this service is \$20.

The potential for conflicts of interest exists in any engagement. In the event that we believe that a conflict has arisen affecting our ability to service your account in accordance with either the ethical standards of our firm or the ethical standards of our profession, we may be required to suspend or terminate our services.

Our fee for this engagement will be based on the complexity of the issues, the time required of the individuals who will be performing the services, and any out-of-pocket expenses. You agree, by accepting the terms of this letter, to pay all invoices within 30 days of receipt. We reserve the right to suspend or terminate our services in the event timely payment is not received.

In the event that services are suspended or terminated for reasons set forth in the preceding two paragraphs, you agree that we will not be responsible for your failure to meet deadlines imposed by governments, lenders or other third parties.

Our maximum liability to you arising for any reason relating to services rendered under this letter shall be limited to the amount of fees paid for these services. In the event of a claim by a third party relating to services under this letter, you will indemnify us and our personnel from all such claims, liabilities, cost and expenses, except to the extent determined to have resulted from our intentional or deliberate misconduct.

If the foregoing fairly sets forth your understanding, please sign the enclosed copy of this letter in the space indicated and return it to us in 30 days. Our receipt of your tax data also acknowledges your acceptance of the terms of this engagement. If you have any questions, please give us a call. Thank you for this opportunity to work with you.

Very truly yours,

SHAW MUMFORD & CO., P.C.

ACCEPTED:

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Authorized Signature

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Title

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Date