



Certified Public Accountants & Business Consultants

Engagement Letter for Preparation of Corporation, Partnership, Fiduciary and Other Miscellaneous Tax Returns

Dear Client:

This letter is to confirm and specify the terms of this engagement and to clarify the nature and extent of the services we will provide.

This letter is made necessary due to the professional standards we are required to follow in the preparation of tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared to confirm the following arrangements:

We will prepare your federal and state tax returns from information, which you will furnish to us. 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.

The timeliness of your cooperation is essential to our ability to complete this engagement. Specifically, we must receive sufficient information from which to prepare your returns within a reasonable period of time prior to the applicable filing deadline. Accordingly, if we do not receive information from you no later than 15 days prior to the due date of the return, it may be necessary for us to pursue an extension of the due date of your returns.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. All documentation will be returned to you with your completed returns. You should retain all the documents, cancelled checks and other data that form the basis of these returns. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before signing.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations and/or other irregularities, should any exist. We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns.

We will use our 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. We will apply the "more likely than not" reliance standard to resolve such issues in order to avoid penalties that might be assessed against us as return preparers. You agree to honor our decision regarding the need to make protective disclosures in your returns.

Significant penalties can be imposed on the corporation for failing to disclose participation in "reportable transactions," that is, certain arrangements the IRS has identified as potentially abusive. We will insist that all such transactions be properly disclosed.

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*1001 East Entry Drive, Suite 200 * Pittsburgh, PA * 15216-2943 * 412.571.0500 * fax: 412.571-1635 * www.markovitz-dugan.com*



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The IRS also may impose penalties when taxpayers understate their tax liability, file their return late, or pay their tax late. If you would like information on the amount or the circumstances of these penalties, please contact us. If this is an entity whose tax items are reported in the returns of its shareholders, any penalty for substantial understatement of tax relating to this entity's tax items would be imposed on its shareholders.

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. 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.

Unless other arrangements have been agreed to, our fee for preparation of your tax returns will be based on the amount of time required at standard billing rates plus out-of-pocket expenses. All invoices are due and payable upon presentation.

By signing and returning your e-file authorization forms you are agreeing to the terms of this letter.

We will retain copies of records you supplied to us along with our work papers for a period of seven years. After seven years, our work papers and files will be destroyed.

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

Very truly yours,

Markovitz Dugan & Associates

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