

**Cooper Graci & Company, P.C.**  
**4210 Spicewood Springs Road, Suite 108**  
**Austin, TX 78759-8653**  
**(512) 346-1880**  
<http://www.texcpa.com>

Dear Client:

We appreciate the opportunity to work with you on your tax matters. This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangements.

Certain additional terms and conditions of our engagement are set out in our Billing and Fee Policy, a copy of which is enclosed. Please review that policy carefully and let us know if you have any questions. The range of hourly fees for the firm is included in the policy. All invoices are due and payable upon presentation. Please be prepared to pay any outstanding charges when you pick up your return.

We will prepare your 2007 federal and requested state income tax returns from information that you will furnish 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. We will furnish you with a tax organizer to guide you in gathering the necessary information. Your use of the tax organizer will assist in keeping pertinent information from being overlooked.

**The initial filing deadline for your income tax returns is April 15, 2008. In order to meet this filing deadline, we must receive the information needed to complete your tax returns no later than March 1, 2008. If an extension of time is required, any tax that may be due with your returns must be paid with the extension request on April 15. IRS will charge interest on the portion not paid by the initial filing deadline, and may also charge late payment penalties until those amounts are actually paid.**

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

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You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that your expenses for meals, entertainment, travel, business gifts, charitable contributions, dues and memberships, and vehicle use are supported by records as required by law.

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.

Your return may be processed by a third party service provider. Please advise us if you prefer that we forego a third party service provider.

The engagement does not include any services not expressly stated in this letter. Specifically, our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist.

We will render any accounting and bookkeeping assistance as determined to be necessary for the preparation of your income tax returns. However, even if, as a result of this tax engagement, we provide you with adjusting journal entries to be recorded in your general ledger, this engagement will not result in the compilation, review, or audit of any financial statements for you. You have the final responsibility 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. Accordingly, you agree not to make any representations to third parties that we have prepared your financial statements.

If you need financial statements for third-party use, we will be pleased to discuss with you the requested level of services. Our services for preparing any financial statements you request will be covered by a separate engagement letter. They are not part of the services described in this engagement letter.

We also 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 hourly billing rates.

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by an examining agent are subject to certain rights of appeal. In the event of a government tax examination, we will be available upon request to represent you. The cost of this service is not included in the fee for preparation of your tax return. If your return is audited and we represent you, you will have additional fees for the time and expenses incurred.

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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.

You agree not to subpoena or otherwise call upon Cooper Graci & Company or its employees, or cause or assist in causing us to be subpoenaed or otherwise called upon to testify in any such action to which we are not a party, with respect to any of the work performed, reports made, tax returns prepared, or information acquired or developed in connection with services we provide to you. In any event, if any Cooper Graci & Company employee is required for any reason to give testimony relating to services we provide to you, you agree to pay for the time involved at our standard hourly billing rates, plus all out-of-pocket expenses incurred in connection therewith.

If the foregoing fairly sets forth your understanding, please sign this letter in the space indicated and return it to our office. However, if there are other tax returns you expect us to prepare, such as gift tax returns, property tax returns, or related party returns, please inform us by noting so at the end of this letter.

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

Very truly yours,

COOPER GRACI & COMPANY, P. C.

Accepted By: \_\_\_\_\_

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

Other Returns I Want You to Prepare:

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Client #: \_\_\_\_\_