[Date]

[Name], Managing Partner

[Firm]

[Firm Address]

Dear [Name]:

We are pleased to confirm our acceptance and understanding of the services we are to provide for the quarterly periods and year ended [Dae]. Attached is a copy of our Terms and Conditions, which is specifically incorporated herein. If the terms of Terms and Conditions ae inconsistent with the terms of this letter, the terms of this letter apply.

You have requested that we prepare the quarterly and annual financial statements of [Firm], which comprise the statement of assets, liabilities, and partners’ capital – income tax basis as of each quarter-end and [Date], and the related statements of revenue and expenses – income tax basis, partners’ capital – income tax basis and cash flows – income tax basis for each quarter and for the year then ended, and perform a compilation engagement with respect to those financial statements. These financial statements will not include related notes to the financial statements as required for financial statements prepared in accordance with income tax basis of accounting.

In addition, the supplementary information (Schedule I: Certain Assets, Liabilities and Partners' Capital – Income Tax Basis and Schedule II: Certain Revenue and Expenses - Income Tax Basis) will be prepared and presented with the financial statements. Such supplementary information is the responsibility of management and will be subject to our compilation engagement.

**Our Responsibilities**

The objective of our engagement is to:

1. Prepare financial statements in accordance with the income tax basis of accounting based on information provided by you, and
2. apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with the income tax basis of accounting.

We will conduct our compilation engagement in accordance with Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA’s *Code of Professional Conduct* and its ethical principles of integrity, objectivity, professional competence, and due care when preparing the financial statements and performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. A compilation differs significantly from a review or an audit of financial statements. A compilation does not contemplate performing inquiry, analytical procedures, or other procedures performed in a review. Additionally, a compilation does not contemplate obtaining an understanding of the entity’s internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Our services will be limited to presenting in financial statement form information that management represents to us. You are responsible for the preparation and fair presentation of the financial statements using the income tax basis of accounting. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance regarding the financial statements being compiled.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the Company or noncompliance with laws and regulations. However, we will inform the appropriate level of management of any material errors, and of any evidence or information that comes to our attention during the performance of our compilation procedures that fraud may have occurred. In addition, we will report to you any evidence or information that comes to our attention during the performance of our compilation procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

We in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities since performing those procedures or taking such action would impair our independence. If for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

All of your original records that you provide to us to compile your financial statements will be returned to you. Our working papers, including any copies of your records that we choose to make are our property and will be retained by us in accordance with our established record retention plan. The plan, in general, is that we will retain these working papers for a period of a minimum of seven years. After this period expires, these files may be destroyed.

**Your Responsibilities**

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to report on compiled financial statements in accordance with the income tax basis of accounting and assist you in the presentation of the financial statements in accordance with the income tax basis of accounting. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

1. The selection of income tax basis of accounting as the financial reporting framework to be applied in the preparation of the financial statements.
2. The preparation and fair presentation of financial statements in accordance with the income tax basis of accounting and the inclusion of a description of the income tax basis of accounting.
3. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements due to fraud or error.
4. The prevention and detection of fraud.
5. To ensure that the Partnership complies with the laws and regulations applicable to its activities.
6. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgements, you provide us for the engagement.
7. To provide us with –

* access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters.
* additional information that we may request from you for the purpose of the compilation engagement.
* unrestricted access to persons within the Partnership of whom we determine it necessary to make enquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our bookkeeping services and the preparation of your financial statements ([Name]). You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. You will allow us to include a reference to our report on each statement.

Prior to preparation and execution of this engagement letter, we discussed with you the fact that we provide clients with levels of service higher than a compilation, such as audit and review services, and we explained to you the manner in which such levels of service differ from a compilation. For example, a compilation does not contemplate performing inquiry, analytical procedures or other procedures performed in a review. We also explained to you that we provide clients with services specifically focused on identifying and addressing weaknesses in internal controls (internal control review), and on searching for the existence of fraud within your Partnership (fraud audit). We further explained the additional costs associated with such higher and different levels of service. After consideration of such services, you have informed us that you wish to retain us to perform only the compilation services described in this letter.

You are responsible for adopting sound accounting policies, for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, for retaining supporting documentation for those transactions, and for devising a system of internal controls that will, among other things, help assure the preparation of proper income tax basis financial statements. Furthermore, you are responsible for making all management decisions and performing all management functions, and for designating an individual who possesses suitable skill, knowledge, or experience to oversee any bookkeeping services, tax services, or other services we provide. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. You have the final responsibility for the financial statements and, therefore, should review them carefully.

You are also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Partnership involving (a) management (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Partnership received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

**Our Report**

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. There may be circumstances in which the report differs from the expected form and content. If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

Our report will disclose that the financial statements are prepared in accordance with the income tax basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our report will disclose that the Firm’s management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the income tax basis of accounting. If the omitted disclosures were to be included in the financial statements, they might influence the user’s conclusions about the Firm’s assets, liabilities, equity, revenues, and expenses. Accordingly, the financial statements will not be designed for those who are not informed about such matters.

You agree to include our accountant’s compilation report in any document containing financial statements that indicates that we have performed a compilation engagement on such financial statements and, prior to inclusion of the report, to ask our permission to do so. The supplementary information accompanying the financial statements will be presented for purpose of additional analysis. Our report will not express an opinion, a conclusion, nor provide any assurances on such information.

**Engagement Administration**

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. This often involves sending data, documents and other information, including sensitive tax and financial information.

Such communications may include information that is confidential to your Partnership. Massachusetts passed legislation that imposes restrictions on the type of data that can be sent to you via email. Our firm employs measures in the use of facsimile machines and computer technology designed to maintain data security.

While we will use reasonable 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 they have been sent and consent to our use of these electronic devices during this engagement. You should ensure that your e-mail server and the information stored on your system are secure. We are not responsible for any transmission problems or for the failure of your or any authorized recipient of the information to receive files.

You are solely responsible for (i) notifying the firm of the failure to receive files containing your information so that we may provide a copy in an alternate form; (ii) securing your e-mail server and restricting access to your e-mail in order to maintain confidentiality of the information transmitted; (iii) storing the electronic files containing the information; and (iv) acquiring and maintaining the software needed to open and access the files containing the information.

All information you provide to us in connection with this engagement will be maintained by us on a strictly confidential basis. If we receive a summons or subpoena requesting that we produce documents from this engagement or testify about this engagement, we will notify you prior to responding, if we are legally permitted to do so. You may, within the time permitted for our firm to respond to any request, initiate any legal action you deem appropriate to protect the information from discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from compliance, we may construe your inaction or failure as consent to comply with the request.

In the event that we are requested or authorized by you, or are required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to this engagement, and provided that we are not a party to the legal proceedings, you shall reimburse us for our professional time and expenses incurred in responding to such requests.

You agree that our firm’s liability for any and all claims, damages, losses and costs of any nature arising from this engagement is limited to the total amount of fees paid by you to our firm for the services rendered under this agreement.

Bear in mind that, even though we may prepare the financial statements, the representations (i.e. words and numbers) in them are your representations since they are based on your transactions. We rely on what you tell us to be completely truthful. By signing this Engagement Letter, you agree to hold our firm and its partners, heirs, executors, personal representatives, successors and assigns harmless from any and all claims that arise from misrepresentations to us by the management of your Partnership, or the intentional withholding or concealment of information from us by the management of your Partnership. The Partnership also agrees to indemnify our firm for any and all claims made against our firm by third parties, which arise from any of these actions by management. We reserve the right to withdraw from this engagement without completing the returns if you fail to comply with the terms of this engagement letter.

Should any questions arise as to the quality or timeliness of our services, we ask that you call such matters to our attention promptly. The parties to this engagement agree to attempt to negotiate the settlement of any disputes arising from this engagement. The parties further agree that, before resorting to the initiation of legal proceedings they will submit any dispute arising from this engagement to mediation by presenting a written request for mediation to the other party to the engagement. All mediations initiated as a result of this agreement will be administered by the American Arbitration Association under its mediation rules, or such other mediator upon which the parties agree. The results of this mediation shall be binding only upon agreement of each party to be bound. If any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this engagement letter.

This section shall survive completion or termination of this Agreement, but under no circumstances shall either party call for mediation of any claim or dispute arising out of this Agreement after such period of time as would normally bar the initiation of legal proceedings to litigate such claim or dispute under the laws of the Commonwealth of Massachusetts.

Parties to this engagement agree to attempt to negotiate the settlement of any disputes arising from this engagement. The parties further agree that, before resorting to the initiation of legal proceedings, arbitration or litigation, they will submit any dispute arising from this engagement to mediation by presenting a written request for mediation to the other party to the engagement. If mediation fails to resolve the dispute or claim, the parties hereby agree that they shall submit any action, claim or counterclaim whether based in contract, tort, and statutory rights or otherwise to the Superior Court of the Commonwealth of Massachusetts. The parties also agree that the laws of the Commonwealth of Massachusetts shall govern all legal proceedings arising from this engagement.

The engagement does not include any services not specifically stated in this letter.

It is our policy to keep records related to this engagement for seven years. However, we do not keep any of your original records, so we will return those to you upon completion of the engagement. When records are returned, it is your responsibility to retain and protect the records for possible future use including potential examination by government 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 relating to this engagement.

**Other Relevant Information**

[Engagement Partner Name] is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

**Fees for Services and Other Matters**

Our fees for these services will be at our regular rates together with any out-of-pocket expenses including telephone, postage, photocopying, etc.

In accordance with our firm policies, work may be suspended if your account becomes seven days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, our engagement will be deemed to have been complete upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination even if we have not completed our report. The Partnership’s compilation engagement ends on delivery of the compilation report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

We, in our sole professional judgment, reserve the right to refuse to do any procedure or take any action that could be construed as making management decisions or performing management functions, including determining account codings and approving journal entries.

We appreciate the opportunity to be of service to you and believe that this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. The attached terms and conditions are hereby incorporated as if fully set forth herein.

Sincerely

[CPA Firm]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Name], CPA

Partner

The services described in the foregoing letter are in accordance with our requirements. The terms described in the letter are acceptable to us and herby agreed to.

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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