

HERRICK, LTD. Certified Public Accountants

Dear Client:

This letter will confirm the arrangements for our services. We will prepare your **Fiduciary Income Tax** returns for calendar year **2006** (or fiscal year beginning in year 2006). It is your responsibility to provide us with all the information necessary for the preparation of complete and accurate income tax returns. We will not audit or otherwise verify the information you give us. However, we may ask for additional clarification of some information. It is important for you to know that the tax laws provide for a penalty to be imposed when a taxpayer makes a substantial understatement of tax liability.

We will resolve questions involving the application of tax rules in your favor, if there is a reasonable justification for doing so. We will render such accounting and bookkeeping assistance as we find necessary for the preparation of the income tax returns. In addition, we will report to you any ideas or observations developed during the period of our services that we believe may be useful to you. If a financial statement or other work unrelated to the tax returns is required, it will be covered by a separate engagement letter.

The fiduciary is responsible for the proper recording of transactions in the books of accounts, *including allocations between income and principal*, for the safeguarding of assets, and for the substantial accuracy of the financial records. You also have final responsibility for the tax return and, therefore, you should review the return carefully before you sign and file it.

You agree to furnish all information that is necessary for the preparation of the above tax returns. Furthermore, you expressly represent that the information you are supplying to us is accurate and complete to the best of your knowledge, and that you have sufficient documentation to substantiate all items of income and deduction claimed (including travel and entertainment expenses, if applicable).

Our work in connection with the preparation of the tax returns does not include any procedures designed to discover defalcations and other irregularities, should any exist.

We generally base our charges on the time required at our regular rates for the services and personnel assigned, plus out-of-pocket costs. However, our charges also might include other appropriate factors, including the difficulty of the assignment, how much risk and responsibility the work entails, time limitations imposed on you and us by others, the experience and professional expertise of the personnel required, and the priority of the work to the client.

In many instances, we will require a retainer. If credit is extended, we respectfully expect payment within 30 days. We also accept payment by **Visa, MasterCard, or American Express** (please contact our office to provide credit card payment details). PLEASE NOTE: balances not paid within 30 days will have a finance charge assessed on the unpaid amount, computed at a periodic rate of 1% per month, which is an annual percentage rate of 12%. If any balance is more than 30 days past due, we reserve the right to cease working on your returns or providing any other services, without specific notice to you of any cessation of work, until the balance has been paid in full, and a further retainer has been received. In the event that any dispute arising from this engagement cannot be resolved amicably, both parties explicitly agree to submit same to binding arbitration.

PLEASE COMPLETE AND SIGN ON THE OTHER SIDE

IF THIS AGREEMENT IS NOT RETURNED WITH YOUR DOCUMENTS
WE CANNOT BEGIN ANY WORK ON YOUR RETURNS

Your returns are, of course, subject to review and possible challenge by the taxing authorities. You should retain the tax records related to the current year's tax returns for at least seven years after they were filed, since additional assessments, if any, are usually made during this period. If you should receive any notice from any taxing authority, please let us know. If such notice requires action and you would like us to assist you, please understand that our fee for such services will be billed to you as our efforts are incurred (unless the notice resulted from an error on our part).

IMPORTANT NOTE:

Because of their special purpose and format, the income tax returns do not constitute a fair presentation of financial information in accordance with generally accepted accounting principles. Therefore, they should be used only for income tax purposes.

We shall be pleased to discuss this letter with you at any time. We are happy to have you as a client, and will do our best to render quality service to you.

Sincerely,

Herrick, Ltd. CPAs

If the foregoing is in accordance with your understanding, please sign below and return this letter to us.

Accepted by: _____ Title: _____ Date: _____

Name of Trust/Estate: _____