

Smith  Sullivan
& Brown PC
CERTIFIED PUBLIC ACCOUNTANTS

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TAX ENGAGEMENT LETTER

Dear Trustee:

We appreciate the opportunity to work with you. In order to avoid any misunderstandings, it is important that the terms of our mutual understanding be clarified.

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 require all clients for whom returns are prepared to confirm the following arrangements.

We will prepare your 2017 Federal and Massachusetts fiduciary income tax returns from information you furnish to us.

We will not audit or otherwise verify the data you submit, although we may ask you to clarify some of it or furnish written or oral assurance that records or other evidence exist to substantiate deductions. You should retain all the documents, books, and records that form the basis of income and deductions. The documents 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 you sign them.

This firm is responsible for preparing only the return(s) listed above. All other returns and forms are to be prepared by you or under separate written engagement letters.

We will use professional judgment in preparing your returns. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (i.e. tax agencies and courts), we will share our knowledge and understanding of the possible positions that may be taken on your returns. We will adopt whatever position you request on your returns so long as it is consistent with our professional standards and ethics. You have the final responsibility for positions taken on the returns. If the IRS should later contest the position taken, there may be an assessment of additional tax liability plus interest and possible penalties. We assume no liability for any such additional penalties or assessments.

The law provides for a penalty to be imposed where a taxpayer makes a substantial understatement of his or her tax liability. For trust tax returns, a substantial understatement exists when the understatement for the year exceeds the greater of 10% of the tax required to be shown on the return or \$5,000. The penalty is 20% of the underpayment. Taxpayers other than "tax shelters" may seek to avoid all or part of the penalty by showing (1) that they acted in good faith and there was reasonable cause for the understatement, (2) that the understatement was based on substantial authority, or (3) that the relevant facts affecting the item's tax treatment were adequately disclosed on the return. A taxpayer is considered a "tax shelter" if its principal purpose is to avoid federal income tax. The penalty for substantial understatement of tax relating to a trust tax return is determined at the entity level. You agree to advise us if you wish disclosure to be made in your returns or if you wish for us to identify or perform further research with respect to any material tax issues for the purpose of ascertaining whether, in our opinion, there is "substantial authority" for the position proposed to be taken on such issues in your returns.

Your returns are subject to examination by the taxing authorities or you may receive a notice requesting a response to certain issues on your tax return. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the information shown on the tax returns. We are not responsible for Internal Revenue Service calculation of values or for resulting taxes, penalties, and interest. Any items resolved against you by the examining agent are subject to certain rights of appeal. In the event of such government tax examination or inquiry, we will be available upon request to represent you. Such services will be covered in a separate engagement letter.

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

If you have taxable activity in additional state or local municipalities, you are responsible for providing our firm with all of the information necessary to prepare additional applicable state and local income tax returns, as well as informing us of the applicable state and local municipalities.

We will render such accounting and bookkeeping assistance as determined to be necessary for the preparation of the income tax returns.

Professional standards now require us to electronically file (e-file) all tax returns. While we are required to e-file all returns, you do have the right to "opt out" by choosing the applicable option at the end of this letter. Please note that unless you notify us of your desire to not e-file your return, we will prepare your returns to be e-filed.

Foreign Accounts:

Please note that any person or entity subject to the jurisdiction of the United States (includes individuals, corporations, partnerships, trusts, and estates) having a financial interest in, or signature or other authority over, bank accounts, securities, or other financial accounts having an aggregate value exceeding \$10,000 at any time during the calendar year in a foreign country, shall report such a relationship. Although there are some limited exceptions, filing requirements also apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign account(s). For example, a corporate-owned foreign account would require filings by the corporation *and* by the individual corporate officers with signature authority. Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties.

If you and/or your entity have a financial interest in, or signature authority over, any foreign accounts, you are responsible for providing our Firm with all the information necessary to prepare the Report of Foreign Bank and Financial Accounts ("FBAR") required by the U.S. Department of the Treasury in order for the FBAR to be received by the Department on or before the due date of each tax year. **If you have an FBAR filing requirement, the FBAR filing deadline is April 15th.** An automatic 6-month extension will be granted to October 15th of each tax year.

It is mandatory to electronically file the FBAR reports using the Bank Secrecy Act ("BSA") e-filing system for the Financial Crimes Enforcement Network ("FinCEN"). If you would like our Firm to submit your electronic FBAR report (FinCEN Form 114) on your behalf, we must receive a signed consent form (FinCEN Form 114a) from you prior to submitting the foreign reporting form. If you do not provide our Firm with information regarding any interest you may have in a foreign account, or if we do not receive your signed authorization to file your foreign reporting form, we will not be able to prepare and file any of the required disclosure statements.

In addition, the Internal Revenue Service also requires information reporting under applicable Internal Revenue Code sections and related regulations, **and the respective IRS tax forms are due when your income tax return is due**, including extensions. The IRS reporting requirements are in addition to the U.S. Department of the Treasury reporting requirements stated above. Therefore, if you fall into one of the below categories, or if you have any direct or indirect foreign interests, **you may be required to file applicable IRS forms at the time your income tax return is due:**

- You are an individual or entity with ownership of foreign financial assets and meet the specified criteria (Form 8938);
- You are an officer, director or shareholder with respect to certain foreign corporations (Form 5471);
- You are a foreign-owned U.S. corporation or foreign corporation engaged in a U.S. trade or business (Form 5472);
- You are a U.S. transferor of property to a foreign corporation (Form 926);
- You are a U.S. person with an interest in a foreign trust (Forms 3520 and 3520-A); or
- You are a U.S. person with interests in a foreign partnership (Form 8865).

Failure to timely file the appropriate forms with the U.S. Department of the Treasury and the Internal Revenue Service may result in substantial monetary penalties. By your signature below, you accept responsibility for informing us if you believe that you may have foreign reporting requirements with the U.S. Department of the Treasury and/or Internal Revenue Service and you agree to timely provide us with the information necessary to prepare the appropriate form(s). We assume no liability for penalties associated with the failure to file, or untimely filing, of any of these forms.

Our Firm is in compliance with, and will abide by, Massachusetts Data Privacy Law 201 CMR 17.00.

In addition, in the event our firm or any of its employees or agents is called as a witness or requested to provide any information whether oral, written or electronic in any judicial, quasi-judicial, or administrative hearing or trial regarding information or communications that you have provided to this firm, or any documents and workpapers prepared by our firm in accordance with the terms of this agreement, you agree to pay any and all reasonable expenses including fees and costs for our time at the rates then in effect, as well as any legal or other fees that we incur as a result of such appearance or production of documents.

It is our policy to retain engagement documentation for a period of seven years, after which time we will commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

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, we must receive all information to prepare your return by **March 31, 2018**, to ensure that your return will be completed by the required due date. If we have not received all of your information by March 31, 2018 and your return is not completed by the required due date, you may be subject to late filing and/or late payment penalties. We do not file tax extensions for clients unless specifically requested to do so.

Unless we have agreed otherwise, our minimum tax preparation fee is \$500. **Payment is due at the time we complete our tax preparation services.** Time involved in the preparation of your tax return includes meetings, correspondence, e-mail communications, telephone conversations, research, review and analysis.

More complex tax returns, additional state returns and extension calculations require additional time which will result in a tax preparation fee that exceeds \$500. The additional time is billed based on our hourly rates. The preparation and filing of the FBAR report, as well as any other forms required for foreign reporting will be billed based on our hourly rates.

Additional FedEx charges will apply for returns received after March 31, 2018.

This engagement does not include any services not specifically stated in this letter. However, we would be pleased to consult with you regarding other tax matters, such as 2018 income tax projections, proposed or completed transactions, and for research in connection with such matters. We will render additional invoices for such services at our standard billing rates.

We are pleased to have you as a client and look forward to many more years of a mutually satisfying relationship. We believe that this letter would accurately summarize 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 below and return it to us along with your 2017 tax information. **However, under no circumstances shall we sign a completed tax return or prepare an extension until we receive from you this signed engagement letter.**

Smith, Sullivan & Brown, P.C.

Smith, Sullivan & Brown, P.C.
Westborough, MA

Electronic Filing Preference: (please select your option - if no selection is made, your returns will be electronically filed)

I choose to file the 2017 tax returns electronically

I choose NOT to file the 2017 tax returns electronically - Smith, Sullivan & Brown, P.C. has informed me that my 2017 Fiduciary income tax return may be required to be electronically filed if the Firm files the return on my behalf. I do not want to file my return electronically and will personally file the paper return. My signature below represent my agreement that I was not influenced by my preparer or any other member of the Firm to sign this statement.

Foreign Matters:

At any time during 2017,

Did you have an interest in or signature authority over a financial account in a foreign country, such as a bank account, securities account or other financial account? YES NO

Were you the grantor of, or transferor to, a foreign trust? YES NO

Did you own any foreign assets? YES NO

If you answered YES to any of these questions please provide us with additional information.

Client Copy Preference: (please select your option – if no selection is made, you will receive a paper copy)

____ Provide me with a paper copy of my tax return

____ Provide me with a PDF copy of my tax return (please provide email address(es))

I have read and understand the foregoing and agree to these terms.

Trust Name: _____

Trustee Signature _____ Date _____