

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Subject: Engagement Letter for Debt Covenant Compliance Agreed-Upon Procedures

Dear [Contact Person Name],

This letter confirms our understanding of the terms and objectives of our engagement to perform agreed-upon procedures regarding [Company Name]'s compliance with certain debt covenants as specified in the [Loan Agreement Name] dated [Date] with [Lender Name].

1. Scope of Services

We will perform the procedures described in the attached "Schedule of Procedures," which have been agreed to by [Company Name] and [Lender Name]. These procedures are intended solely to assist you in evaluating the Company's compliance with the financial covenants listed in Section [Number] of the Loan Agreement as of [Reporting Period Date].

2. Nature of the Engagement

This agreed-upon procedures engagement will be conducted in accordance with attestation standards established by the [Relevant Accounting Body, e.g., AICPA]. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose.

Because the agreed-upon procedures do not constitute an examination or a review, we will not express an opinion or a conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

3. Reporting

At the conclusion of our engagement, we will issue a written report listing the procedures performed and our findings. Our report will be intended solely for the information and use of [Company Name] and [Lender Name], and is not intended to be and should not be used by anyone other than these specified parties.

4. Management Responsibilities

Management is responsible for:

- The preparation and fair presentation of the financial data used for covenant calculations.
- Ensuring compliance with the terms of the Loan Agreement.

- Providing us with access to all relevant records and information.
- Selecting the procedures and determining that they are sufficient for your purposes.

5. Fees

Our fees for these services will be based on the actual time spent at our standard hourly rates, estimated to be [Amount], plus out-of-pocket expenses. Invoices are payable upon receipt.

6. Signatures

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement.

Sincerely,

[Accountant/Firm Name]

Accepted and Agreed:

For [Company Name]: _____

Title: _____

Date: _____