



GITTELMAN & company, p.c.

- CERTIFIED PUBLIC ACCOUNTANTS
- MANAGEMENT CONSULTANTS

"Tomorrow's knowledge today"

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NYC by appointment

January 1, 2017

Dear Client:

Gittelman & Company, P.C. is pleased to provide you with the professional services described below. This letter confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. This engagement between you and our firm will be governed by the terms of this letter. We will perform our services in accordance with the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants.

Scope of Engagement

We will prepare the following federal and state tax returns for you for the year ended December 31, 2016:

1040
NJ-1040/NYS IT-201/203

U.S. Individual Income Tax Return
New Jersey/New York Individual Income Tax Returns

We will not prepare any tax returns except those identified above without your written authorization to do so. We will prepare your tax returns based upon information and representations you provide to us. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify some of the information. We will prepare the tax returns solely for filing with the Internal Revenue Service ("IRS") and state and local tax authorities. They are not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

As a result, you agree to indemnify and hold our firm and any of its partners, principals, shareholders, officers, directors, members, employees, agents or assigns harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS and state and local tax authorities regardless of the nature of the claim, including the negligence of any party.

You agree that you will not and are not entitled to rely on any advice unless your request and our response are provided in writing.

Client Responsibilities

Upon your request, we will provide you with a paper or electronic income tax organizer to help you compile and document the information we will need to prepare your income tax returns. It is your obligation to complete the tax organizer with accurate and complete information, including worldwide income.

Documentation

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. You should retain all documents that provide evidence and support for reported income, credits, and deductions on your returns as required under tax law. You are responsible for the adequacy of all such documents. You represent that you have such documentation and can produce it if needed to respond to any audit or inquiry by taxing authorities. You agree to hold us harmless with respect to any additional taxes, penalties, or interest imposed on you by taxing authorities resulting from the disallowance of tax deductions due to inadequate documentation.

Personal expenses

Unless we are otherwise advised, you are responsible for confirming that personal expenses, if any, are segregated from business expenses and expenses such as meals, travel, entertainment, vehicle use, gifts, and related expenses are supported by necessary records required by the IRS and other taxing authorities. At your request, we are available to answer your questions and advise you on the types of supporting records required.

Employment records

You are responsible for obtaining Forms I-9, Employment Eligibility Verification Form, from each new employee at the time of employment. In addition, Federal Form W-4, Employee's Withholding Allowance Certificate, and the applicable state equivalent should be retained for all employees. Failure to obtain these forms may subject an employer to penalties. Additional state requirements related to employment records may exist. At your request, we are available to answer your questions and advise you on required documentation.

Worker classification

You are responsible for determining the correctness of any employment relationship which you have deemed to be that of an independent contractor. Payroll tax withholding and related employer payroll tax implications result from this determination. We recommend obtaining a Form W-9, Request for Taxpayer Identification Number and Certification, signed by the independent contractor, as well as a signed contract with the independent contractor. You should also issue a Form 1099-MISC, Miscellaneous Income, to all unincorporated independent contractors to whom you pay \$600 or more for services.

Additional filing obligations

If upon review of the information you have provided us and other information that comes to our attention, we believe you may have an obligation to file additional tax returns, we will notify you of this in writing and ask you to contact us. If you ask us to prepare these returns, we will confirm this in a separate engagement letter and delineate the additional charges for this service.

U.S. filing obligations related to foreign investments

It is your responsibility to inform us if you directly or indirectly hold any interest or signatory authority in any assets located in a foreign country. Based on the information you provide, this information will be used to calculate any applicable foreign tax credits. We will also use this data to inform you of any additional filing requirements, which may include FINCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR) and Form 8938, Statement of Specified Foreign Financial Assets. Both Form 114 and Form 8938 are required to be filed electronically. Failure to file required forms can result in the imposition of both civil and criminal penalties, which can be significant. These are not tax returns and their preparation is not within the scope of this engagement. If you ask us to prepare these forms, we will confirm this matter in a separate engagement letter and delineate the additional charges for this service.

As part of your federal income tax return, you are required to report the maximum value of specified foreign financial assets, which include financial accounts with foreign institutions and certain other foreign non-account investment assets that exceed certain thresholds. In some but not all cases, this filing obligation may overlap your FBAR filing obligations. You are responsible for informing us of all foreign investments so we can properly advise you as to your FBAR and income tax return filing obligations.

Foreign filing obligations

You are responsible for complying with any other country's income reporting and tax filing requirements. We have no responsibility to discuss these issues with you. If you have specific questions regarding your tax filing obligations, please contact us to schedule an appointment to discuss your concerns.

Ultimate responsibility

You have final responsibility for your income tax returns. Check them carefully for accuracy and completeness before you sign them.

CPA Firm Responsibilities

We will prepare your returns based on your filing status (single, married filing jointly, married filing separately, head of household or qualifying widow[er] with dependent child) as reflected in your income tax returns for last year. If your marital status has changed, you want to change your filing status, or you have questions about your filing status, please contact us immediately.

Arguable positions

We will use our judgment to resolve questions in your favor where a tax law is unclear assuming there is reasonable justification for doing so. Whenever we are aware of conflicting interpretations of the law by authorities, we will explain the possible positions that may be taken on your return. We will follow the position you request, provided it is consistent with our understanding of the current tax code, laws, regulations, and their interpretation. If the IRS or state tax authorities later contest the position taken, there may be an assessment of additional tax, interest, and penalties. We assume no liability, and you hereby release us from any such additional tax, interest, and penalties or other fees and assessments.

Errors, fraud, or theft

Our engagement does not include any procedures designed to discover errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters.

Brokerage or investment advisory statements

If you provide our firm with copies of brokerage (or investment advisory) statements, we will use the information from these statements solely in connection with the preparation of your income tax returns. We will rely on the accuracy of the information provided in the statements and will not undertake any action to verify this information. We will not monitor investment activity, provide investment advice, or supervise the actions of the entity or individuals performing investment activities on your behalf. We recommend you review all brokerage (or investment advisory) statements promptly and carefully, and direct any questions regarding activities on your account to your broker (or investment advisor).

Tax planning services

Our engagement does not include tax-planning services, which are available as a separate engagement. During the course of preparing the tax returns identified above, we may bring to your attention certain available tax saving strategies for you to consider as possible means of reducing your income taxes in subsequent tax years. However, we have no responsibility to do so, and will take no action with respect to any such recommendations, as the responsibility for implementation remains with you, the taxpayer.

Government inquiries

This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request we assist you in responding to such inquiry. If you ask us to represent you, we will confirm this in a separate engagement letter and delineate how additional charges for this service will be calculated.

Timing of the Engagement

We expect to begin the preparation of your returns upon receipt of the completed 2016 tax organizer, if you elect to complete one, and/or your submission of all tax documents requested either in the organizer or without the organizer, by our office.

If your return is electronically filed, our services will conclude upon the earlier of the filing and acceptance of your 2016 tax returns by the appropriate taxing authorities or one year from the execution date of this letter. You will be required to verify and sign a completed Form 8879, IRS e-file Signature Authorization, and [state equivalent authorization form] before your returns can be filed electronically. You are responsible for reviewing the accuracy of all tax returns and any accompanying schedules and statements prior to filing.

If your return is filed by mail, our services will be concluded upon the earlier of delivery to you of your 2016 tax returns for your review and filing with the appropriate taxing authorities or one year from the execution date of this letter.

Extensions of Time to File Tax Returns

The original filing due dates for your tax returns are April 15, 2017 for federal, New York and New Jersey returns.

It may become necessary to apply for an extension of the filing deadline if there are unresolved tax issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis. Our policy is to file extensions if we do not receive all tax information before April 1, 2017. Applying for an extension of time to file may extend the time available for a government agency to undertake an audit of your return or may extend the statute of limitations. All taxes owed are due by the original filing due date. Additionally, extensions may affect your liability for penalties and interest or compliance with government or other deadlines.

To the extent you wish to engage our firm to apply for extensions of time to file tax returns on your behalf, you must notify us of this in writing. Our firm will not file these applications unless we receive your express written authorization to do so. In some cases, your signature may be needed on such applications prior to filing. Failure to timely file for an extension of time to file can result in penalties for failure to file tax returns, which accrue from the original due date of the returns, and can be substantial.

We are available to discuss this matter with you at your request at our regular hourly fee if the need arises.

Penalties and Interest Charges

Federal, state, and local taxing authorities impose various penalties and interest charges for non-compliance with tax law, including, for example, failure to file or late filing of returns, and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all taxes, penalties, and interest charges imposed by taxing authorities.

We rely on the accuracy and completeness of the information you provide to us in connection with the preparation of your tax returns. Failure to disclose, or inadequate disclosure of income or tax positions, can result in the imposition of penalties and interest charges.

The IRS and many states impose penalties for substantial understatement of tax. To avoid the substantial understatement penalty, you must have substantial authority to support the tax treatment of the item challenged by the IRS or adequate disclosure of the item.

Fees and Billings

An invoice for our fees will be included in your return.

Our professional fee for the services outlined above is based upon the complexity of the work to be performed and our professional time to complete the work. Additionally, this fee depends upon the availability, quality, and completeness of your records. You agree that you will deliver all records requested by our staff to complete this engagement on a timely basis.

In the event your records are not submitted in a timely manner, or are incomplete or unusable, we reserve the right to charge additional fees and expenses for services required to correct the problem. If this occurs, we will contact you to discuss the matter and the anticipated delay in completing our engagement prior to rendering further services.

We will bill you for our professional fees, expenses and out-of-pocket costs as of the date we deliver our work product to you. Payment is due within 15 days of the date on the billing statement.

Should any additional state/city returns be required, you will be billed an additional fee per state/city.

You agree that in the event your payment of tax is not received by the due date of the tax return, we will not be responsible for your failure to meet government and other filing deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet the deadlines, and for any other damages (including, but not limited to consequential, indirect, lost profits, or punitive damages) incurred by you as a result of the late filing or non-filing of the tax returns.

It is our practice to issue invoices on a monthly basis. All invoices are payable upon presentation, and we expect prompt payment. In the absence of our receipt of a written objection to any invoice within thirty (30) days of the date the invoice is rendered, you will be deemed to have accepted and acknowledged, as correct, the services rendered as described in the invoice and the value thereof. You will be charged interest at the rate of 9% per annum on any invoice not paid within sixty (60) days. You agree to reimburse us for all costs of collection which may include, but not be limited to, attorneys' fees, costs of suit and/or filing fees. In accordance with our firm policies, services may be suspended, including current work on reports, returns or other documents not yet completed, if your account becomes sixty (60) days or more overdue and services will not be resumed until your account is paid in full or we have agreed to alternative payment arrangements. We shall have no obligation to provide you with copies of, or to release on your behalf, financial statements, tax returns, or other documents we have prepared in the course of our engagement to the extent we have not received full payment for the preparation of such documents. If payment has been received for current services, but an outstanding

balance remains for prior services provided to you by this firm, we reserve the right not to perform future services for you, such as filing an already prepared tax return, until the balance is paid in full. In such case, you agree to hold this firm, its shareholders, principals and employees harmless and release us from any liabilities, losses and costs arising out of our failure to release documents or provide additional services due to non-payment.

Both you and this firm have the absolute right to terminate this engagement for any reason and at any time by notifying the other party in writing. In the event of a termination of this engagement, we will comply with applicable ethical requirements as set forth in the Statements on Standards for Tax Services issued by the AICPA, including the Ethics Interpretations, and other applicable law, and we agree to perform all actions necessary to complete our withdrawal. In the event of a termination of our engagement, original client records will be returned to you but our firm will be under no obligation to provide you with any documents that we have prepared for which we

have not received payment. Once payment has been received for the preparation of these documents, said documents will be released upon request in accordance with AICPA guidelines or applicable law. Other documents and records in our files, such as "working papers" are our property and may be released in our discretion in accordance with

AICPA guidelines or applicable law, and you agree to hold this firm, its shareholders, principals and employees harmless and release us from any liabilities, losses and costs arising out of our failure to release documents in good faith in accordance with this provision. You agree to pay for all services rendered and expenses incurred on your behalf prior to the withdrawal and in connection with our withdrawal including, but not limited to, advance payment of the fees for the time and expense reasonably anticipated to be incurred to retrieve, copy and transmit the requested documents or records, to be finally reconciled upon completion of our withdrawal.

You hereby agree that our maximum liability to you and/or any third party for any reason, including our negligence, relating to the services performed pursuant to this engagement shall be limited to the fees actually paid by you for the service or work product giving rise to such liability; provided, however, that the foregoing limitation shall not apply to the extent such damages are finally determined to have resulted from our fraudulent behavior or willful misconduct.

It is our policy to keep records related to this engagement for a period of five (5) years after which such records will be destroyed. Please note that any original client records retained by us will be returned to you upon the completion of the services rendered in connection with this engagement, and you will provide us with a receipt for the return of such records. Any records in the file that are deemed to be our property may be provided to you at our discretion in accordance with AICPA guidelines or applicable law and only if we have been compensated for any time and costs associated with retrieving, copying and transmitting the documents or records. When records are returned to you, it is your responsibility to retain and protect such records for possible future use, including potential examination by any government or regulatory agency.

This letter shall be governed and interpreted under the laws of the State of New Jersey, without regard to its choice of law provisions. Both parties hereby consent to the exclusive jurisdiction of the Superior Court of New Jersey, Passaic County, and the United States District Court for the District of New Jersey for all disputes, claims, or controversies relating to the terms and conditions of this letter, including but not limited to the enforcement and interpretation thereof.

In the interest of facilitating our services to you, we may send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to you may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require all of our third-party vendors to do the same.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement.

Entire Agreement

This engagement letter, including any attachments, encompasses the entire agreement of the parties and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this engagement letter must be made in writing and signed by both parties.

If any portion of this engagement letter is deemed invalid or unenforceable, said finding shall not invalidate the remainder of the terms set forth in this engagement letter.

We appreciate the opportunity to be of service to you. To accept our firm's offer to perform services on the terms set forth in this engagement letter, forward the tax organizer and other tax return information requested to us. By doing so, you are agreeing to be bound by the terms set forth above. We will not commence work on the engagement until we receive the requested information. If you have any questions about the provisions of this letter, please feel free to contact us.

By signing and filing your 2016 Federal and State tax returns or by signing and returning related e-file authorization forms to us, you affirm that the foregoing accurately expresses your understanding of the nature and extent of our services and related fees.

Very truly yours,

GITTELMAN & COMPANY, P.C.

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