CALIBRE
CPA GROUP
Bethesda, MD

January 20, 2017

Board of Trustees
c/o Anne-Marie Sims
UNITE HERE Local 25 and Hotel Association of Washington, DC Benefit Funds
Associated Administrators, LLC
911 Ridgebrook Road
Sparks, MD 21152

RE: UNITE HERE Local 25 and Hotel Association of Washington, DC Benefit Funds Compliance Review Engagement Letter

Dear Board of Trustees:

It is with great pleasure that we continue to work with the UNITE HERE Local 25 and Hotel Association of Washington, DC Benefit Funds. We have conducted payroll compliance audits for the Funds for over 8 years now. Our last engagement letter was signed in 2014. We would like to renew our engagement letter as well as adjust our billing rates.

Under the joint audit program, we will conduct random routine employer audits on a three-year rotation cycle. Generally, the audits will cover a three-year audit period. The procedures to be performed during each audit generally include a review of the pertinent provisions of the applicable collective bargaining agreement and the comparison of employer's payroll records to information reported to the Plan. The employer records we review may include payroll journals, individual earnings records, payroll tax returns, contribution reports, job classification, and other payroll disbursement records. The procedures are performed on a test basis, and the scope of our testing will be expanded if the preliminary results so warrant. The scope of the payroll audits will be limited to records made available by the employers, and therefore the audits would not necessarily disclose all exceptions in employer contributions since any compensation made to employees not disclosed to us or made part of the written record is not determinable by us.

Our procedures relate to a review of only the employers' payroll records and do not extend to any financial statements of the contributing employers. The procedures are substantially less in scope than an audit of the financial statements of the contributing employers, the objective of which would be the expression of an opinion on the contributing employers' financial statements. Accordingly, no such opinion will be expressed.

As we enter the new year, we are requesting a fee increase to our clients. Our last fee increase was in 2014. The average cost of living has increased around 2% per year which represents an average 1.2% increase for the period of 2017 through 2019. We are proposing incremental 1.5% increases to take place for the following three years:

Proposed Fee increase @ 1.5% per year

	Current Fees			
Less than 50 Employees	2016	2017	2018	2019
Four Funds	$2,405.76	$2,441.84	$2,478.47	$2,515.65
Three Funds	$2,240.21	$2,273.81	$2,307.92	$2,342.54
Two Funds	$2,075.72	$2,106.86	$2,138.46	$2,170.54
One Fund	$1,911.24	$1,939.90	$1,969.00	$1,998.54
50 to 99 Employees	2016	2017	2018	2019
Four Funds	$3,130.56	$3,177.52	$3,225.18	$3,273.56
Three Funds	$2,910.89	$2,954.56	$2,998.88	$3,043.86
Two Funds	$2,691.22	$2,731.59	$2,772.57	$2,814.15
One Fund	$2,471.55	$2,508.63	$2,546.26	$2,584.45
100 to 499 Employees	2016	2017	2018	2019
Four Funds	$3,822.47	$3,879.81	$3,938.01	$3,997.08
Three Funds	$3,575.21	$3,628.84	$3,683.27	$3,738.52
Two Funds	$3,327.95	$3,377.87	$3,428.54	$3,479.96
One Fund	$3,080.69	$3,126.90	$3,173.80	$3,221.41
500+ Employees	2016	2017	2018	2019
Four Funds	$4,514.38	$4,582.09	$4,650.83	$4,720.59
Three Funds	$4,239.53	$4,303.12	$4,367.67	$4,433.18
Two Funds	$3,964.67	$4,024.14	$4,084.51	$4,145.77
One Fund	$3,690.88	$3,746.24	$3,802.44	$3,859.47

For target reviews which require 100% testing, extended review periods and/or legal support for reviews in which the employers are uncooperative, the review will be billed at our standard hourly rates as follows:

	2016	2017	2018	2019
Manager	$132	$134	$136	$138
Auditor	$82	$83	$84	$85
Clerical	$66	$67	$68	$69

The documentation for this engagement is our property and constitutes confidential information. However, we may be requested to make certain documentation available to the U.S. Government Agencies pursuant to authority given to it by law. If requested, access to such documentation will be provided under the Board of Trustees supervision of our personnel. We will supply you with copies of any documentation, for which copies are given to the U.S. Government Agencies.

We would like to have these new rates in effect for this year's upcoming 2017 audits. We appreciate the opportunity to be of service to the Funds and believe this letter accurately summarizes the significant terms of our engagement.

If you have any questions, please do not hesitate to contact our office.

Sincerely,

William V. Vorhees, CPA
Calibre CPA Group, PLLC
Partner

Ellen K. Odell

Ellen Odell
Calibre CPA Group, PLLC
Principal

The fee increases indicated above are agreed to by the Funds:

UNITE HERE Local 25 Hotel Association of Washington, DC Health and Welfare Fund

By ______________________ ______________________ ____________
Signature Title Date

UNITE HERE Local 25 and Hotel Association of Washington, DC Pension Fund

By ______________________ ______________________ ____________
Signature Title Date

UNITE HERE Local 25 and Hotel Association of Washington, DC Legal Fund

By ______________________ ______________________ ____________
Signature Title Date

Hospitality Industry 401(k) Plan

By ______________________ ______________________ ____________
Signature Title Date