MEETING OF THE BOARD OF TRUSTEES OF THE HOSPITALITY INDUSTRY 401(k) PLAN

Held at: UNITE HERE Local 25
901 K Street, N.W., Suite 200
Washington, DC 20001

On: January 25, 2018

Trustees Present:
John Boardman
Solomon Keene

Others Present:

Anne Mayerson, Bredhoff & Kaiser, PLLC, Fund Co-Counsel
Fred Singerman, Seyfarth Shaw LLP, Fund Co-Counsel
Anne-Marie Sims, Associated Administrators, LLC

Henry Jaung, Meketa Investment Group (for part of the meeting)
Brian Dana, Meketa Investment Group (for part of the meeting)

I. Call to Order

The meeting was called to order at 12:30 p.m.

II. Approval of Minutes of Prior Meeting

The Trustees reviewed the minutes of Board of Trustees meeting of October 24, 2017 and approved them with no changes.

III. Investment Consultant's Report

Mr. Jaung presented the report of Meketa Investment Group for the calendar quarter ending December 31, 2017. He noted that the value of the Plan increased by approximately $1,725,545 during the quarter, ending at $35.9 million. He reported that the Plan is in the upper quartile for its peer group with respect to overall performance, diversification and expenses.

IV. Prudential Transition

Anne Mayerson and Fred Singerman reported that they have been negotiating an administrative services agreement with Prudential and that, once they were satisfied that there were no material issues outstanding, Principal had been provided with a termination notice. The assets are scheduled to be liquidated on April 2, 2018 (the first business day in April), and transferred to Prudential the next day. There will be a blackout period beginning on March 22 during which participants will not be able to make any changes to their accounts.

Mr. Jaung said that Meketa is preparing recommendations for the line-up of investment fund options, along with mapping recommendations, and would provide those recommendations to the Trustees within the next week. The Trustees scheduled a conference call with Meketa and co-counsel for Friday, February 2 to discuss the recommendations.

The Trustees discussed at length the administrative fees to be assessed participants. They agreed to an annual participant charge of 60 basis points (a 16 basis point reduction from the current administrative charge), subject to Prudential's agreement to administer (for no more than a nominal additional fee) a separate account to hold the participant fees from which Prudential's recordkeeping fee may be paid along with any other expenses that the Trustees authorize Prudential to pay.

Co-counsel noted that participant notices of the blackout period and any fund changes must be provided at least thirty days in advance. Employer notices of the recordkeeper change will be accompanied by new participation agreements that include the responsibility to remit contributions to Prudential. The Trustees requested that the employer notices be sent to the general managers and human resources departments at each hotel. Mr. Boardman asked Ms. Sims to contact Stephanie Steer for contact information for the human resources departments.

Co-counsel stated that Prudential will charge $1.50 per participant per mailing, other than transition materials (e.g., blackout notices), quarterly statements, educational campaigns, and distribution forms. The Trustees agreed that Associated Administrators should continue to issue mailings for which Prudential would otherwise charge, since Associated can do so more cheaply. They also agreed that the current practice under which Associated identifies newly eligible participants based on employer contributions to the other funds, and sends them SPDs and other information required to be sent to all participants, should be continued rather than require employers to provide this information to Prudential.

The Trustees agreed that it would be more cost-effective for Prudential to review proposed qualified domestic relations orders at a cost of $750 each than for counsel to continue to review them, and to continue the current practice of not charging the QDRO review cost to the participant.

The Trustees agreed to pay Principal the $1,000 fee requested to transfer electronic data files to Prudential.

The Trustees asked Ms. Sims to ascertain from Prudential what documentation Prudential will require for her to be authorized to sign documents (e.g., fund change letters) on their behalf.

V. Fund Counsel Report

Anne Mayerson and Fred Singerman reported that the IRS audit of Plan years 2013-2015 had been concluded and the IRS had issued a closing letter on January 4, 2018 with no findings.

VI. Administrative Manager's Report

Ms. Sims presented the Administrative Manager's Report for the third quarter 2017. She reported that all lost earnings and penalties assessed for 2015 and 2016 have been paid, except for the Marriott Marquis, which has not paid interest or penalties assessed for about 5 participants who transferred from the Wardman Park and for whom contributions continued to be deducted from their wages pursuant to their salary reduction election but were "lost" within the Marriott payroll system for up to two years. The Trustees agreed to waive the penalties associated with these late payments provided that interest is paid, along with interest and penalties still outstanding on a missed remittance. Mr. Singerman recused himself from this discussion.

The Trustees requested that future Administrative Manager's Reports include reports of lost earnings and penalties assessed and paid for years after 2013.

VII. Payroll Auditor Report

Ms. Sims presented the report on completed payroll audits. There were no audit findings with respect to the seven audits completed in November and December 2017.

VIII. Next Meeting

The Trustees set the next meeting date to immediately follow the next scheduled meetings of the related funds on May 3, 2018.

IX. Adjournment

There being no further business before the Board of Trustees, the meeting was adjourned at 2:30 p.m.