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

Held at: UNITE HERE Local 25
901 K Street, NW, Suite 200
Washington, D.C. 20001

On: December 16, 2011

Trustees Present:
John Boardman
Solomon Keene

Others Present:
Anne Mayerson, Bredhoff & Kaiser, PLLC, Fund Co-Counsel
Fred Singerman, Seyfarth Shaw, Fund Co-Counsel
Ryk Tierney, Associated Administrators, LLC
Tyler Geiman, Novak Francella
Ellen Odell, Calibre CPA Group PLLC (for part of the meeting)
Bambi Kirkpatrick, Kirkpatrick & Associates (for part of the meeting)

I. Call to Order

The meeting was called to order at approximately 8:40 a.m.

II. Minutes

The Trustees reviewed and approved the minutes of the September 27, 2011 Board of Trustees meeting.

III. Auditor Report

Tyler Geiman presented a letter that he explained is required by Statement on Auditing Standards (SAS) No. 115. The SAS 115 letter identifies two deficiencies in the administrator's internal controls and notes that both deficiencies have been corrected. He noted that these deficiencies did not rise to a level that would require the audit opinion on the financial statements to be something other than an unqualified, "clean," opinion.

Mr. Geiman reviewed the revised Schedules of Delinquent Participant Contributions for 2010, which reflect that only contributions paid later than five business days after the check date (*i.e.*, 10 business days after the payroll end date) are considered to have been paid late. The revised Schedule will be used as the basis for filing an amended Form 5500 for 2010.

IV. Payroll Auditor Report

Ellen Odell presented a status report of the compliance audit program as of December 3, 2011. With respect to the audit of Marriott Wardman Park, she noted that, although the employer did not provide Forms W-2 for all of its employees, based on the sample chosen by Calibre no deficiencies were found (other than the fact that the employer was remitting on a monthly basis, which has been corrected). She noted that the sample is sufficiently representative and large enough so as not to warrant expanding the scope of the audit. Mr. Singerman asked her to remove the reference in the status report to "limited scope audit" since that term does not accurately describe the audit that was performed and to reflect that appropriate statistical sampling was used (if that is the case), and requested that future reports be treated in the same manner. The Trustees asked Mr. Geiman to review all of the records of the recordkeeper, the Principal Financial Group ("Principal"), with respect to this employer for the audit period to determine the extent to which Principal misposted contributions and omitted employees on its contribution report for employees not covered by the sample.

The Trustees asked Ryk Tierney to include in the status report a notation as to whether an employer noted in the status report as not paying timely is now doing so.

With respect to Hilton McLean, Mr. Boardman noted that he is still trying to obtain information from the employer with respect to the issues involved with the transition from Hilton's corporate 401(k) plan in view of Calibre's audit findings, discussed at the last meeting, that there were no deficiencies.

V. Payroll Audit Collection Report

Mr. Tierney presented the payroll audit collection report as of December 5, 2011. The Trustees discussed the appropriate policy where an employer has made both underpayments and overpayments during a single audit period. The Trustees concluded that overpayments and underpayments should generally not be netted and that Madison should accordingly be invoiced for the entire $335.05 underpayment.

VI. Collection Counsel Report

Mr. Tierney explained that collection counsel had been excused from the meeting because they had nothing to report.

VII. Principal Financial Group Report

Mr. Tierney explained that Alton Fryer had been excused from the meeting because there was nothing new of significance to report. Anne Mayerson reported that Mr. Fryer had recently provided additional information with respect to the following items that were outstanding from the last meeting:

- He provided an analysis showing the amount of revenue from each fund that is paid to the investment manager and the amount paid to the Principal;
- he provided information concerning Principal's investment warranty, which counsel will review;
- he is attempting to find a way to report only participants (both active and deferred vested) with an account balance as requested by the Trustees; and
- he confirmed that notification of the investment changes approved at the June 9, 2011 meeting was included in the second quarter statements mailed in July 2011.

VIII. Administrative Manager Report

Mr. Tierney presented the Administrative Manager Report for the second and third quarters of 2011. The Trustees approved the invoices for payment.

Mr. Tierney presented the lost earnings collection report for 2010. The same five invoices that were outstanding as of the September meeting (Embassy Suites Convention Center; Fairfax Embassy Row; Madison; Mandarin Oriental; and Washington Hilton) remain outstanding. It is expected that the recent notification to employers concerning the grace period, and the fact that it is not available to employers with outstanding delinquencies for 2010, will result in payment of these delinquencies.

IX. Request for Proposal

Mr. Singerman explained that, as a result of the discussions at the last Trustees' meeting, he and Anne Mayerson, along with Ryk Tierney and Anne-Marie Sims, had held an initial meeting with a consultant, Bambi Kirkpatrick, to discuss the possibility of preparing a request for proposal ("RFP") to be issued for recordkeeping/administrative services. Mr. Singerman stated that he had previously worked with Ms. Kirkpatrick on two matters, including at an ongoing client that is a contributing employer to some Local 25 funds.

Ms. Kirkpatrick entered the meeting. She explained that, after meeting with Fund co-counsel and administrators, she had performed a preliminary analysis of the vendors that provide recordkeeping/administrative services and narrowed down the potential providers to eight. She presented a proposal to prepare the RFPs, evaluate the responses and assist the Trustees in selecting a vendor, for an hourly fee of $100 with an estimated (and maximum) total fee of $14,000. The Trustees approved the engagement subject to such modifications to the engagement letter as co-counsel deemed appropriate.

X. Co-Counsel Report

Mr. Singerman presented a plan amendment prepared by Principal memorializing the 2009 waiver of the required minimum distribution. The Trustees approved the amendment.

XI. Next Meeting Date and Location

The next meeting was scheduled for March 29, 2012 at 8:30 a.m.

XII. Adjournment

There being no further business before the Board of Trustees, the meeting was adjourned at 9:40 am.