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

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

On: March 29, 2012

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
Anne-Marie Sims, Associated Administrators, LLC
Tyler Geiman, Novak Francella
Ellen Odell, Calibre CPA Group PLLC (for part of the meeting)
Justin Sergeant, Calibre CPA Group PLLC (for part of the meeting)
Alan Spatrick - Meketa Investment Group
Henry Jaung - Meketa Investment Group

I. Call to Order

The meeting was called to order at approximately 8:30 a.m.

II. Minutes

The Trustees reviewed and approved the minutes of the December 16, 2011 Board of Trustees meeting.

III. Auditor Report

Tyler Geiman reported that the 2010 Form 5500 has been amended to reflect the revised Schedules of Delinquent Participant Contributions, which show 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. He said that it was ready to be filed once the Trustees have signed the representation letter for the financial statements.

Mr. Geiman reported on some errors found on audit in postings by Principal Financial Group ("PFG"). He said that, using Calibre's audit reports for Marriot Wardman, Liaison Capitol Hill and Hyatt Regency, he worked with PFG to confirm the mispostings. With respect to the Marriot Wardman, PFG has posted improperly at least three times in

Calibre's sample. He said that the fee for going back to 2007 and reviewing all of PFG's records for this employer would be $7,500- $9,700. In the case of the Liaison, PFG posted certain contributions for 2010 to 2009 in error and reported as Liaison employees individuals who were not in fact Liaison employees. He said that the fee for going back to 2007 and reviewing all of PFG's records for this employer would be $3,500. There were no mispostings in the case of the Hyatt Regency.

IV. Payroll Auditor Report

Ellen Odell presented a status report of the compliance audit program through March 21, 2012. She noted that the Hyatt Regency audit revealed no deficiencies. This employer was withholding monthly through 2010, but this issue has now been corrected. With respect to the Omni Shoreham, she noted that sample testing revealed numerous posting errors by PFG and that PFG has been notified of the posting errors. With respect to the Mandarin Oriental, she explained that this employer had failed to remit contributions for four payroll period. The Trustees noted that where, as here, an audit reveals that the employer has failed to make any contributions for one or more payroll periods, interest should be calculated at prime plus 5% as provided in the Trust Agreement, and not at the rate otherwise used where the employer pays late contributions before an audit is commenced (that is, the interest rate used by the Department of Labor's Voluntary Fiduciary Correction Program Online Calculator).

Mr. Boardman noted that he is still trying to obtain information from the Hilton McLean in connection with the transition from Hilton's corporate 401(k) plan.

V. Payroll Audit Collection Report

Ms. Sims presented the payroll audit collection report as of March 27, 2012.

VI. Collection Counsel Report

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

VII. Principal Financial Group Report

Alton Fryer entered the meeting and presented the investment performance report for 2011. He said the only fund that may warrant a change is the America Funds Growth Funds of America fund, which has continued to underperform throughout 2012.

He noted that PFG has waived its fee with respect to the money market separate account but that the fee waiver will no longer apply effective April 1, 2012. The Trustees discussed options to the money market account, including PFG's stable value fund and a guaranteed account. Both of these funds allow PFG to impose a 12-month wait on withdrawals if the Fund moves its assets. Fred asked if PFG is willing to waive the waiting period with respect to the stable value fund. Mr. Fryer said that he would check and have an answer next week.

In response to a question from Ms. Mayerson concerning PFG's disclosures under section 408(b)(2) of ERISA (which she said she would discuss with the Trustees later in the meeting), Mr. Fryer provided a Retirement Plan Fee Summary that he said complied with PFG's disclosure requirements under section 408(b)(2).

Mr. Boardman advised Mr. Fryer that the Fund's financial and payroll audits have revealed extensive recordkeeping problems with participant accounts, including posting to the wrong individuals and to the wrong time periods. He advised Mr. Fryer that the Trustees expected PFG to make full correction of all mispostings and to make the affected participants whole, and asked Mr. Fryer to report back to the Trustees on how PFG intended to address this issue.

VIII. Administrative Manager Report

Ms. Sims presented the Administrative Manager Report for the fourth quarter of 2011. The Trustees approved the invoices for payment.

Ms. Sims presented the lost earnings collection report for 2010. All invoices for lost earnings have been paid.

IX. Request for Proposal

Mr. Singerman explained that the RFP was issued to ten vendors, including PFG, on March 16, 2012, with a requested response date of April 16, 2012. He circulated a list of the vendors to whom the RFP had been issued. Referring back to Mr. Fryer's investment performance report, the Trustees agreed that, in view of the possible change in vendors, it would not be appropriate to initiate an investment fund change at this time.

X. Co-Counsel Report

Anne Mayerson provided a summary of the final regulations issued by the U.S. Department of Labor under section 408(b)(2) of the Employee Retirement Income Security Act of 1974 ("ERISA") that will become effective July 1, 2012. The new regulation provides that contracts or arrangements between certain ERISA-covered plans, including this Plan, and their service providers will considered to be "reasonable" only if the service provider discloses specified information to the plan's fiduciary. If a contract is not reasonable, a service relationship between a plan and a service provider will constitute a "prohibited transaction" under ERISA and the Internal Revenue Code ("Code"). In essence, the regulation requires covered service providers to pension plans to give plan fiduciaries significant new disclosures about the services they, their affiliates, and their subcontractors are providing (and expect to provide) to the plans and the compensation these parties expect to receive in connection with the services. The regulation applies both to existing contracts and arrangements as well as to contracts entered into or renegotiated after July 1, 2012. This means that the Plan's fiduciaries must begin now, in advance of the July 1 effective date, the process of requesting and evaluating the new disclosures with respect to all existing covered service provider contracts. Ms. Mayerson is preparing draft letters to the Plan's service providers requesting confirmation that they will provide the required disclosures, and will provide them to Associated Administrators shortly.

The disclosures required by the new regulation are not the same as the information that service providers are currently providing on an annual basis to the Plan for the Schedule C of the Form 5500 Series. Service providers will have to provide separate and different disclosures about their compensation arrangements to satisfy the new regulation, *in addition to* any information they must report for purposes of completing the Schedule C for a plan year.

The potential consequences of failing to comply with the new requirements as of the July 1 effective date are significant. A covered service provider contract for which the required disclosures have not been provided as of July 1, 2012 will be a prohibited transaction under ERISA and the Code. The consequences of having engaged in a prohibited transaction generally fall on both parties to the transaction (the Plan's fiduciaries and the service provider) and include excise taxes and having to "unwind" the transaction. Under the new regulation, however, the Plan fiduciaries may avoid some or all of the consequences of failing to obtain the required disclosure by making a follow-up request and, if the service provider fails to provide them within a specified time, reporting the failure to the Department of Labor and, in due course, terminating the contract. Thus, early and adequate compliance with the new requirements is highly recommended.

XI. Next Meeting Date and Location

The next meeting was scheduled for June 28, 2012 at 8:30 a.m.

XII. Adjournment

There being no further business before the Board of Trustees, the meeting was adjourned at 10:15 am.