FOR PLAN YEAR COMMENCING JANUARY 1, 2012

ANNUAL CERTIFICATION OF PLAN STATUS UNDER SECTION 432(b) OF THE INTERNAL REVENUE CODE, (SEC. 305(b) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974)

FOR

UNITE HERE LOCAL 25 AND HOTEL ASSOCIATION OF WASHINGTON DC PENSION PLAN

EIN: 52-6051390
PN: 001

Plan Year 1/1/2012

Fund Contact
Anne-Marie Sims
Administrator
(410) 683-6500

March 23, 2012

Classic Values, Innovative Advice

Board of Trustees of the
UNITE HERE Local 25 and Hotel Association
of Washington, DC Pension Plan
c/o Anne-Marie Sims
Associated Administrators
911 Ridgebrook Road
Sparks, Maryland 21152

March 23, 2012
EIN: 52-6051390
PN: 001
Phone: (410) 683-6500

Re: Annual Certification of Plan Status under Internal Revenue Code §432(b) and Employee Retirement Income Security Act of 1974 §305(b)

Dear Board of Trustees:

CERTIFICATION

As required by Section 432(b)(3) of the Internal Revenue Code ("Code") and Section 305(b)(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"), we certify for the plan year beginning January 1, 2012, that the Plan is not in an Endangered, Seriously Endangered, or Critical status as defined in Section 432(b) of the Code and Section 305(b) of ERISA.

We hereby certify that, to the best of our knowledge, this report is complete and accurate and has been prepared in accordance with the requirements of Section 432 of the Code, Section 305 of ERISA, and generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice, and that as members of the American Academy of Actuaries, we meet the Qualification Standards to render the opinions contained herein.

This report only certifies the condition of the Plan under Code Section 432 and ERISA Section 305 as added by the Pension Protection Act of 2006 and should be used only for that purpose. In preparing this report, we have relied without audit, on information supplied by Associated Administrators LLC and Novak Francella LLC. This information includes, but is not limited to, Plan provisions, employee data, financial information, and expectations of future industry activity.

The attached appendices show the results for the statutory tests and describe the methodologies and assumptions used to perform the tests. This status certification was prepared exclusively for UNITE HERE Local 25 and Hotel Association of Washington, DC Pension Plan. This certification is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party. We are not attorneys and we do not provide legal advice.

Please contact the undersigned with any questions.

Sincerely,

Fiona E. Liston, FSA, EA (11-04267)

Kevin J. Woodrich, FSA, EA (11-07086)

cc: Secretary of the Treasury

Attachments

Appendix I: Tests for status
Appendix II: Values and projections used in tests
Appendix III: Assumptions (extract from most recent valuation)

APPENDIX I

TESTS OF PLAN STATUS

The Pension Protection Act of 2006 ("PPA") added special rules and requirements for plans that are certified to be Endangered, Seriously Endangered, or Critical.

		Condition Met?
	Critical Status – The Plan will be certified as Critical if it meets any one of the five following tests:	
1	The Plan has a funded ratio of less than 65% and the value of Plan assets, plus projected contributions is less than the value of projected Plan benefits and expenses to be paid for the current and six succeeding plan years.	No
2	The Plan has a funded ratio of less than 65% and is projected to have an accumulated funding deficiency for the current year or in any of the four succeeding plan years.	No
3	The Plan is projected to have an accumulated funding deficiency for the current plan year or in any of the three succeeding plan years.	No
4	Normal cost plus interest on the unfunded liabilities exceeds contributions, the present value of the vested benefits of inactive employees exceeds the present value of vested benefits of active employees, and the Plan is projected to have an accumulated funded deficiency for the current plan year or in any of the four succeeding plan years.	No
5	The value of Plan assets plus projected contributions is less than the value of projected benefits and expenses to be paid for the current and four succeeding plan years.	No
	Endangered Status – The Plan will be certified as Endangered if it is not in Critical status and it meets either test 6 **or** test 7 below.	
6	The ratio of assets to liabilities is less than 80% on the first day of the plan year.	No
7	The Plan is projected to have an accumulated funding deficiency for the current plan year or in any of the six succeeding plan years.	No

Seriously Endangered Status – The Plan will be certified as Seriously Endangered if it is not in Critical status and meets both test 6 and test 7 above.

The Plan is certified to not be in Endangered, Seriously Endangered or Critical status for 2012.

APPENDIX II - DETAIL FOR ACTUARIAL CERTIFICATION

A. DETERMINATION OF FUNDED PERCENTAGE PROJECTED TO 1/1/2012 (used in Tests 1, 2, and 6)

Assets at Market Value as of 1/1/2012:		
1. Most Recent Reported Market Value of Plan Assets[1]	$	105,633,431
2. Withdrawal Liability Receivables[1]		18,682
3. Market Value of Plan Assets for Funding [1. – 2.]	$	105,614,749
Development of Actuarial Value of Assets:		
1. Market Value of Assets	$	105,614,749
2. 80% of 2011 (Gain)/Loss		5,133,338
3. 60% of 2010 (Gain)/Loss		(1,902,475)
4. 40% of 2009 (Gain)/Loss		(2,366,192)
5. 20% of 2008 (Gain)/Loss		5,420,138
6. Preliminary Actuarial Assets (sum of 1 through 5)	$	111,899,558
7. 80% of Market Value of Assets [1. x 80%]		84,491,799
8. 120% of Market Value of Assets [1. x 120%]		126,737,699
9. Final Actuarial Value	$	111,899,558
Unit Credit Liabilities:		
1. Liabilities from Actuarial Valuation as of 1/1/2011		
a. Active liability	$	60,259,613
b. Inactive liability	$	70,479,986
2. Adjustments[2]		
a. To active accrued liability	$	2,809,909
b. To inactive accrued liability	$	3,286,486
3. Total as of 1/1/2012	$	136,835,994
FUNDED PERCENTAGE = Actuarial Value of Assets/Liabilities =		81.78%

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1 The market value of investments is based on draft, unaudited, financial statements provided by Novak Francella, LLC on February 18, 2012.

2 The accrued liabilities have been adjusted for the following:
Accrual of benefits
Accrual of interest
Benefit payments

APPENDIX II - DETAIL FOR ACTUARIAL CERTIFICATION

B. PROJECTIONS

1. Funding Standard Account Credit Balance (used in Tests 2, 3 and 4)

	Credit	adjusted with interest to end of year		
Date	**Balance**	**Charges**	**Credits**	**Contributions**
1/1/2012	$ 35,629,922	$ 13,956,261	$ 3,391,162	$ 13,917,366
1/1/2013	41,654,433	14,563,207	3,391,162	13,917,366
1/1/2014	47,523,837	14,556,744	2,048,921	13,917,366
1/1/2015	52,497,668	14,646,707	1,401,814	13,917,366
1/1/2016	57,107,466	13,674,866	898,076	13,917,366
1/1/2017	62,531,102	13,674,866	811,034	13,917,366
1/1/2018	68,274,468	13,101,524	811,034	13,917,366
1/1/2019	75,021,930			

The projected funding standard account is based on the methods and assumptions set out in Appendix III. In addition, the projection of future contributions is based on the Trustees' estimate of future industry activity multiplied by the contribution rates contained in the collective bargaining agreements under which the Plan is maintained.

2. Assets (used in Tests 1 and 5)

Date	**Market Value Assets**	**Projected Contributions**	**Projected Benefits and Expenses**	**Projected Investment Earnings**
1/1/2012	$ 105,614,749	$ 13,423,100	$ 8,451,121	$ 8,104,185
1/1/2013	118,690,912	13,423,100	8,945,795	9,066,682
1/1/2014	132,234,900	13,423,100	9,519,315	10,061,363
1/1/2015	146,200,047	13,423,100	10,210,401	11,083,302
1/1/2016	160,496,048	13,423,100	10,735,615	12,136,162
1/1/2017	175,319,695	13,423,100	11,286,316	13,227,658
1/1/2018	190,684,137	13,423,100	11,789,024	14,361,480
1/1/2019	206,679,693			

Projected benefit payments reflect both projected changes in industry activity provided by the Trustees and any Plan amendments scheduled to go into effect in a later year. The projections use the assumptions set out in Appendix III.

APPENDIX II - DETAIL FOR ACTUARIAL CERTIFICATION

C. *UNIT CREDIT NORMAL COST, INTEREST, ASSETS AND CONTRIBUTIONS* (used in Test 4)

		1/1/2012
1. Normal Cost (Unit Credit Method) and Expenses	$	3,941,595
2. Interest on Unfunded Benefit Liabilities (PVAB-AVA)		1,870,233
3. Present value of anticipated contributions for 2012		12,946,387
4. Present Value of Vested Benefits		
a. Active Members[3]	$	59,966,097
b. Inactive Members[4]		73,766,472

3 Developed as the ratio of vested active liability to total active liability as of 1/1/2011, multiplied by the sum of line items 1.a. and 2.a. of the development of unit credit liabilities on page 2, Unit Credit Liability development.

4 Equal to the sum of line items 1.b. and 2.b. of the development of unit credit liabilities on page 2.

APPENDIX III – METHODOLOGY AND ASSUMPTIONS

A. Actuarial Assumptions

1. Rates of Investment Return

Funding and disclosure purposes: 7.50% compounded annually
All investment returns are net of investment expenses.

2. Rates of Mortality

Healthy Lives - 1994 GAM, set forward one year for males and females.
Disabled Lives - 1994 GAM, set forward nine years for males and females.

3. Rates of Retirement

Rates of retirement are assumed to be in accordance with annual rates as shown below for illustrative ages.

Age	Rate of Retirement
62	0.2500
63	0.1000
64	0.1000
65	0.9000
66	0.0200
67	0.0200
68	0.0200
69	0.0200
70	1.0000

4. Rates of Turnover

Termination of employment for reasons other than death, disability or retirement is assumed to be in accordance with annual rates as shown below for illustrative ages.

	Withdrawal Rates Service					
Age	0	1	2	3	4	5+
20	0.2603	0.1874	0.1294	0.0926	0.0716	0.0320
25	0.2234	0.1635	0.1196	0.0897	0.0689	0.0320
30	0.2020	0.1566	0.1216	0.0878	0.0687	0.0280
35	0.1883	0.1502	0.1199	0.0939	0.0729	0.0238
40	0.2144	0.1689	0.1326	0.0988	0.0773	0.0233
45	0.2516	0.1759	0.1120	0.0816	0.0676	0.0223
50	0.2723	0.1736	0.1097	0.0798	0.0601	0.0200
55	0.2723	0.1736	0.1097	0.0798	0.0601	0.0200

5. Disability

Disability rates are based on experience during the years 1946-1950 as presented on page 93 of Transactions, Society of Actuaries, 1952 Reports on Mortality and Morbidity Experience. Illustrative rates of disablement are shown below:

Age	Rate of Disability
20	0.0005
25	0.0005
30	0.0005
35	0.0007
40	0.0011
45	0.0017
50	0.0030
55	0.0056
60	0.0097
61	0.0107
62	0.0117
63	0.0127
64	0.0138

6. Pre-Retirement Spouse's Benefit

It was assumed that 80 percent of the male employees and 80 percent of the female employees would be married at the time of death and, assuming service and age requirements were met, would therefore be eligible for the pre-retirement spouse's benefit. It was assumed that surviving spouses would begin to receive benefits when first eligible.

7. Hours Worked

It was assumed that each employee will work the same amount of hours each year into the future that the employee worked during the calendar year preceding the valuation date.

8. Administrative Expenses

$450,000 assumed payable at the beginning of the year.

APPENDIX III – METHODOLOGY AND ASSUMPTIONS

B. Actuarial Methods

1. Asset Valuation Method

The valuation assets are determined as the market value less (1) 80% of the investment gain/(loss) during the preceding year, less (2) 60% of the investment gain/(loss) during the second preceding year, less (3) 40% of the investment gain/(loss) during the third preceding year, less (4) 20% of the investment gain/(loss) for the fourth preceding year. For the purpose of this calculation, the gain/(loss) is defined as the difference between the actual and the expected return (based on the valuation interest rate) on the market value of assets during the year.

The actuarial value is taken to be the adjusted market value as described above, but subject to a 20 percent corridor limit around the actual market value; that is, the actuarial value is never greater than 120 percent of market value, nor less than 80 percent of market value.

2. Funding Method: Unit Credit Cost Method

The cost method for valuation of liabilities used for this valuation is the unit credit method. This is one of a family of valuation methods known as an accrued benefits method. The chief characteristic of an accrued benefits method is that the funding pattern follows the pattern of benefit accrual. Under the unit credit actuarial cost method, the normal cost is determined as that portion of each Participant's benefit attributable to service expected to be earned in the upcoming plan year. The actuarial liability, which is determined for each Participant as of each valuation date, represents the actuarial present value of the Participant's current accrued benefit as of the valuation date.

One of the significant effects of this funding method is that, depending on the demographics of the population, the unit credit method tends to produce lower costs in the early years. There is a possibility that as the population ages, the annual cost could increase over time.