Segal Consulting

Gastronomical Workers Union Local 610 and Metropolitan Hotel Association Pension Fund

Actuarial Valuation and Review as of June 1, 2018

Segal Consulting

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April 4, 2019

Board of Trustees
Gastronomical Workers Union Local 610 and Metropolitan Hotel Association Pension Fund
911 Ridgebrook Road
Sparks, MD 21152-9451

Dear Trustees:

We are pleased to submit the Actuarial Valuation and Review as of June 1, 2018. It establishes the funding requirements for the current year and analyzes the preceding year's experience. It also summarizes the actuarial data and includes the actuarial information that is required to be filed with Form 5500 to federal government agencies.

The census information upon which our calculations were based was prepared by the Associated Administrators, LLC, under the direction of Linda DuVall. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of Lissette Ortiz, MAAA, Enrolled Actuary.

We look forward to reviewing this report with you at your next meeting and to answering any questions you may have.

Sincerely,

Segal Consulting, a Member of The Segal Group

By: Alan P. Cohn
Alan P. Cohn
Senior Vice President

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Gastronomical Workers Union Local 610 and Metropolitan Hotel Association Pension Fund Actuarial Valuation and Review as of June 1, 2018

Introduction

There are several ways of evaluating funding adequacy for a pension plan. In monitoring the Plan's financial position, the Trustees should keep in mind all of these concepts.

Solvency Projections	Pension plan funding anticipates that, over the long term, both contributions and investment earnings will be needed to cover benefit payments and expenses. To the extent that contributions are less than benefit payments, investment earnings and fund assets will be needed to cover the shortfall. In some situations, a plan may be faced with insufficient assets to cover its current obligations and may need assistance from the Pension Benefit Guaranty Corporation (PBGC). MPRA provides options for some plans facing insolvency.
Withdrawal Liability	ERISA provides for assessment of withdrawal liability to employers who withdraw from a multiemployer plan based on unfunded vested benefit liabilities.
Funding Standard Account	The ERISA Funding Standard Account (FSA) measures the cumulative difference between actual contributions and the minimum required contributions. If actual contributions exceed the minimum required contributions, the excess is called the credit balance. If actual contributions fall short of the minimum required contributions, a funding deficiency occurs.
Zone Information	The Pension Protection Act of 2006 (PPA'06) called on plan sponsors to actively monitor the projected FSA credit balance, the funded percentage (the ratio of the actuarial value of assets to the present value of benefits earned to date) and cash flow sufficiency. Based on these measures, plans are then categorized as critical (*Red Zone*), endangered (*Yellow Zone*), or neither (*Green Zone*). The Multiemployer Pension Reform Act of 2014 (MPRA), among other things, made the zone provisions permanent.
Scheduled Cost	The Scheduled Cost is an annual amount based on benefit levels and assets that allows a comparison to current contribution levels, given the expectation of a continuing Plan. Since this Plan is operating under a Rehabilitation Plan, this report does not contain a long-term "Scheduled Cost" measure.

Important Information about Actuarial Valuations

An actuarial valuation is a budgeting tool with respect to the financing of future uncertain obligations of a pension plan. As such, it will never forecast the precise future contribution requirements or the precise future stream of benefit payments. In any event, it is an estimated forecast — the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal Consulting ("Segal") relies on a number of input items. These include:

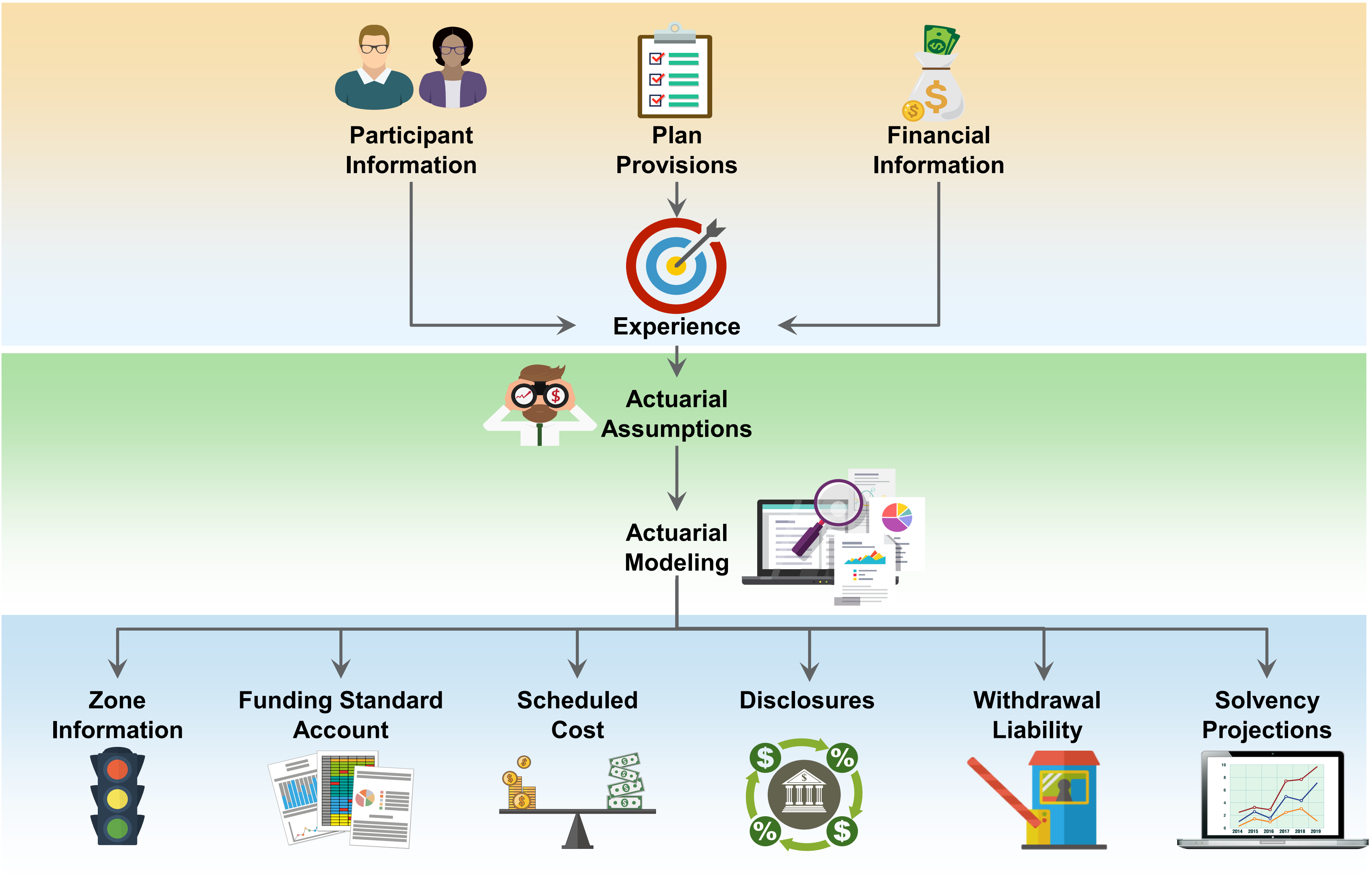
Plan Provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. For example, a plan may require the award of a Social Security disability pension as a condition for receiving a disability pension from the plan. If so, changes in the Social Security law or administration may change the plan's costs without any change in the terms of the plan itself. It is important for the Trustees to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant Information	An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. For most plans, it is not possible nor desirable to take a snapshot of the actual workforce on the valuation date. It is not necessary to have perfect data for an actuarial valuation: the valuation is an estimated forecast, not a prediction. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial Information	Part of the cost of a plan will be paid from existing assets – the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the auditor. Some plans include assets, such as private equity holdings, real estate, or hedge funds, that are not subject to valuation by reference to transactions in the marketplace. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial Assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan's benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results and will have no impact on the actual cost of the plan (the total of benefits and expenses paid out over time). In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Given the above, the user of Segal's actuarial valuation (or other actuarial calculations) needs to keep the following in mind:

- The actuarial valuation is prepared for use by the Trustees. It includes information for compliance with federal filing requirements and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
- Actuarial results in this report are not rounded, but that does not imply precision.
- Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in employment levels and investment losses, not just the current valuation results.
- ERISA requires a plan's enrolled actuary to provide a statement for inclusion in the plan's annual report disclosing any event or trend that the actuary has not taken into account, if, to the best of the actuary's knowledge, such an event or trend may require a material increase in plan costs or required contribution rates. If the Trustees are currently aware of any event that was not considered in this valuation and that may materially increase the cost of the Plan, they must advise Segal, so that we can evaluate it and take it into account.
- A certification of "zone" status under PPA'06 is a separate document from the actuarial valuation.
- Segal does not provide investment, legal, accounting, or tax advice. This valuation is based on Segal's understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Trustees should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by the Trustees upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content.

As Segal Consulting has no discretionary authority with respect to the management or assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

ACTUARIAL VALUATION OVERVIEW



Section 1: Actuarial Valuation Summary

Summary of Key Valuation Results

		2017	2018
Certified Zone Status		***"Critical and Declining"***	***"Critical and Declining"***
Demographic Data:	• Number of active participants	4	4
	• Number of inactive participants with vested rights	874	839
	• Number of retired participants and beneficiaries	1,789	1,739
Assets:	• Market value of assets (MVA)	$8,655,436	$6,567,846
	• Actuarial value of assets (AVA)	8,636,361	6,685,182
	• AVA as a percent of MVA	99.8%	101.8%
Cash Flow:	• Projected employer contributions (including withdrawal liability payments)	$36,656	$281,960
	• Actual contributions (including withdrawal liability payments)	50,303	--
	• Projected benefit payments and expenses	2,620,749	2,604,101
	• Insolvency projected in Plan Year beginning	January 2021	April 2021
Statutory Funding Information:	• Minimum required contribution	$14,445,261	$16,491,915
	• Maximum deductible contribution	34,961,240	38,418,254
	• Annual Funding Notice percentage	29.6%	23.5%
	• FSA deficiency as of June 1	$12,098,177	$14,394,035
Cost Elements on an FSA Cost Basis:	• Normal cost, including administrative expenses	$417,442	$417,441
	• Actuarial accrued liability	29,231,302	28,402,345
	• Unfunded actuarial accrued liability (based on AVA)	$20,594,941	$21,717,163
Withdrawal Liability:[1]	• Present value of vested benefits	30,918,325	29,603,681
	• Unfunded present value of vested benefits (based on MVA[2])	22,262,889	23,035,835

1 Using the assumptions described in *Section 2: Withdrawal Liability Assumptions*.

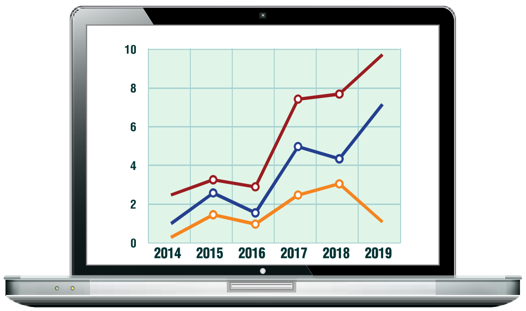
2. Does not reflect present value of withdrawal payments that can reasonably be expected to be collected from withdrawn employers.

This June 1, 2018 actuarial valuation report is based on financial and demographic information as of that date. Changes subsequent to that date are not reflected unless specifically identified, and will affect future results. Segal is prepared to work with the Trustees to analyze the effects of any subsequent developments. The current year's actuarial valuation results follow.

A. Developments Since Last Valuation

1. The rate of return on the market value of plan assets was 3.76% for the plan year ended May 31, 2018. The rate of return on the actuarial value of assets was 5.62%. Given the low fixed income interest rate environment, target asset allocation and expectations of future investment returns for various asset classes, and the length of the investment horizon, we will continue to monitor the Plan's actual and anticipated investment returns relative to the assumed long-term rate of return on investments of 4.00%.
2. The 2018 certification, issued on August 29, 2018, based on the liabilities calculated in the 2017 actuarial valuation, projected to May 31, 2018, and estimated asset information as of May 31, 2018, classified the Plan as critical and declining (in the *Red Zone*) because the Plan was in critical status last year and there is currently a funding deficiency that is projected to grow in the future. In addition, there is an inability to pay benefits projected within 15 years.

B. Solvency Projections



1. The Plan is projected to be unable to pay benefits during the plan year ending May 31, 2021, in particular by April 2021, assuming experience is consistent with the June 1, 2018 assumptions. This cash flow crisis requires continued attention by the Trustees. We continue to work with the Trustees in monitoring any subsequent developments and preparing projections to assist in evaluating alternatives that could address the issue. If insolvency occurs, the Plan will need PBGC assistance and plan benefits will be reduced to PBGC guaranteed levels, if exceeded.
2. The Rehabilitation Plan currently in effect adopted and further updated by the Trustees discussed the alternatives considered by the Trustees and details the actions that partly address the Plan's funding and solvency issues. The current Rehabilitation Plan is not sufficient to enable the plan to emerge from Critical status but is intended to enable the Plan to forestall insolvency.

C. Withdrawal Liability

The unfunded present value of vested benefits for withdrawal liability purposes (UVB) is $23,035,835 (using the assumptions outlined in *Section 2: Withdrawal Liability Assumptions*). Compared to $22,262,889 as of the prior year, the increase of $772,946 is primarily due to a less than expected return on a market value basis.

D. Funded Percentage and Funding Standard Account

1. Based on this June 1, 2018 actuarial valuation, the funded percentage that will be reported on the 2018 Annual Funding Notice is 23.5%.
2. The funding deficiency in the FSA as of May 31, 2018 was $14,394,035, an increase of $2,295,858 from the prior year. Based on the projected contributions and withdrawal liability payments, the Plan's funding deficiency is expected to continue to grow in the future, assuming experience emerges as projected and there are no changes in the Plan, actuarial assumptions, law or regulations.

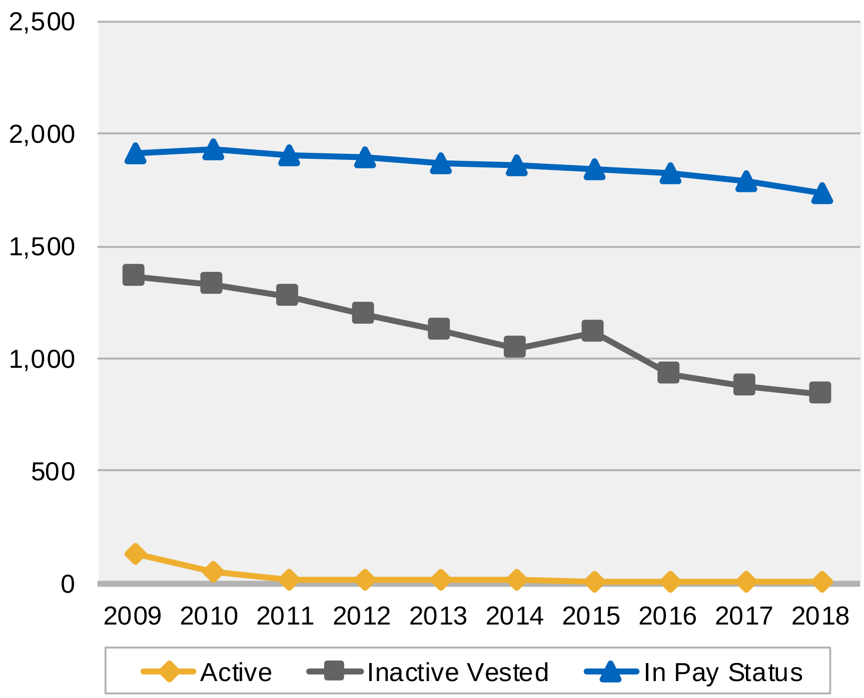
E. Funding Concerns and Risk

1. The imbalance between the benefit levels in the Plan and the resources available to pay for them is being closely monitored. The impending insolvency needs prompt attention and the Trustees are considering action, taking into account the requirements of PPA'06.
2. Since the actuarial valuation results are dependent on a given set of assumptions, there is a risk that emerging results may differ significantly as actual experience proves to be different from the assumptions. We have included a discussion of various risks that may affect the Plan in *Section 2: Funding Concerns and Risk.*
3. We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition, but have included a brief discussion of some risks that may affect the Plan. A more detailed assessment of the risks would provide the Trustees with a better understanding of the risks inherent in the Plan. This could be important because the Plan assets are quickly diminishing.

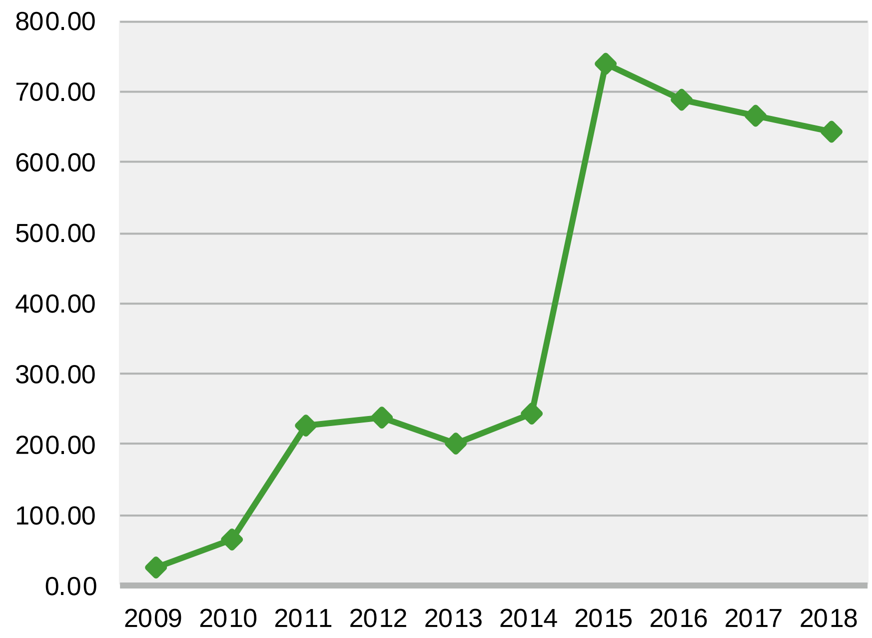
Participant Information

- The Actuarial Valuation is based on demographic data as of May 31, 2018.
- There are 2,582 total participants in the current valuation, compared to 2,667 in the prior valuation.
- The ratio of non-actives to actives has decreased to 644.50 from 665.75 in the prior year.
- More details on the historical information are included in *Section 3, Exhibits A* and *B*.

POPULATION AS OF
MAY 31



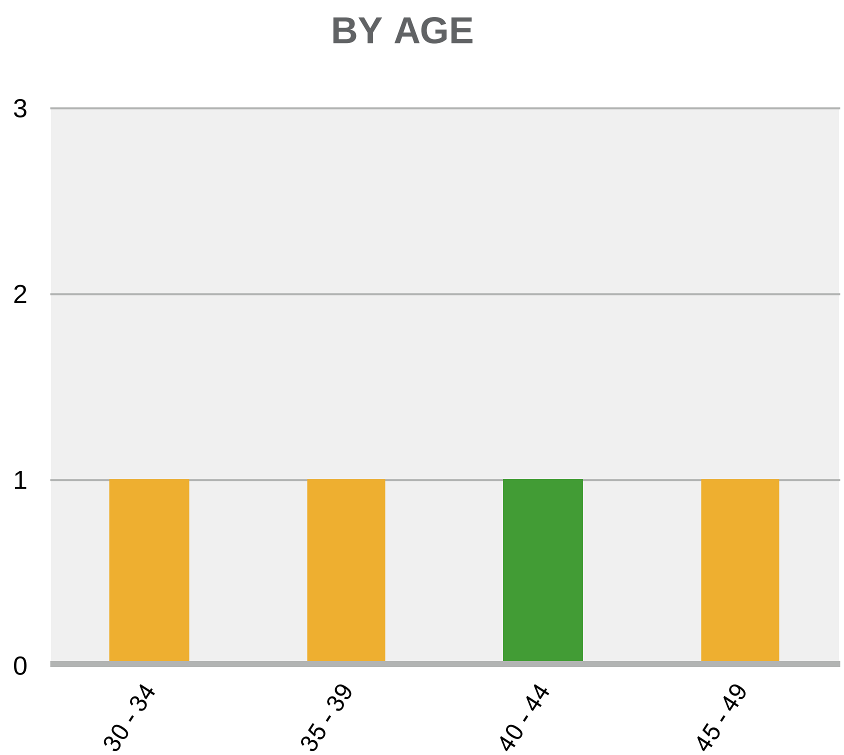
RATIO OF NON-ACTIVES TO ACTIVES
AS OF MAY 31



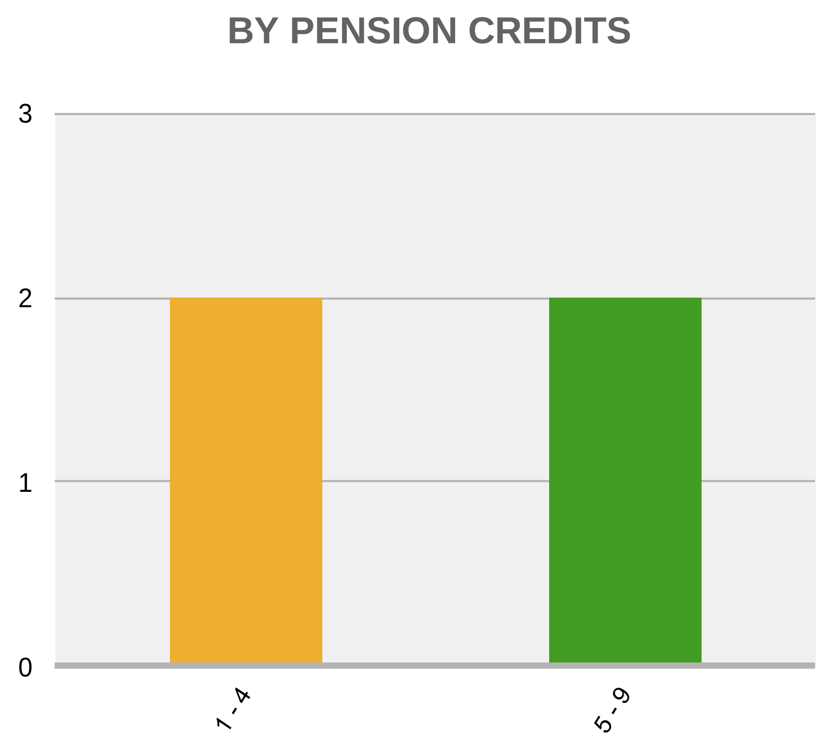
Active Participants

- There were 4 active participants this year, the same as in the prior year.
- The age and service distribution is included in *Section 4, Exhibit 6*.

Distribution of Active Participants as of May 31, 2018



Average age	40.4
Prior year average age	39.4
Difference	**1.0**



Average pension credits	6.8
Prior year average pension credits	6.0
Difference	**0.8**

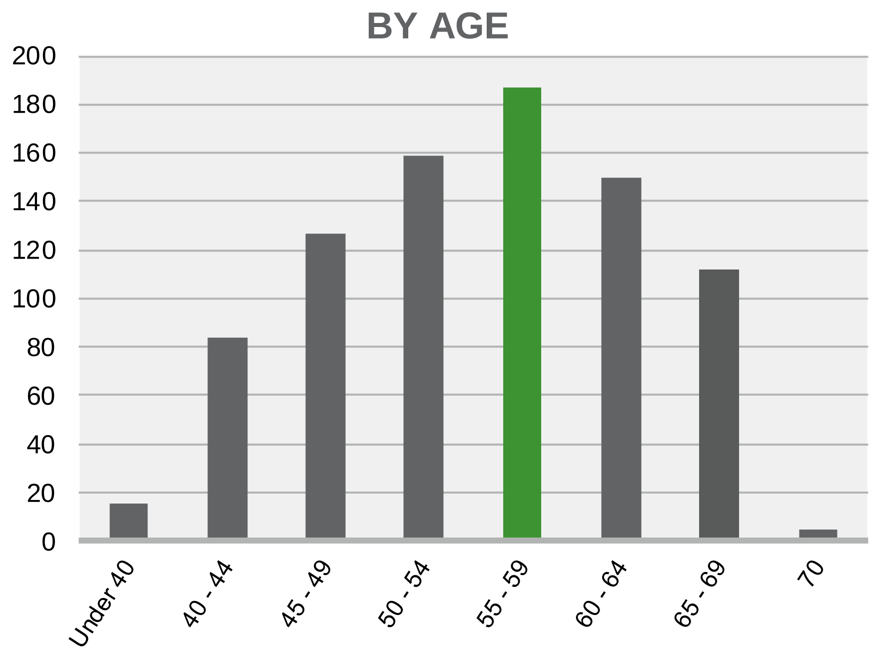
Historical Employment

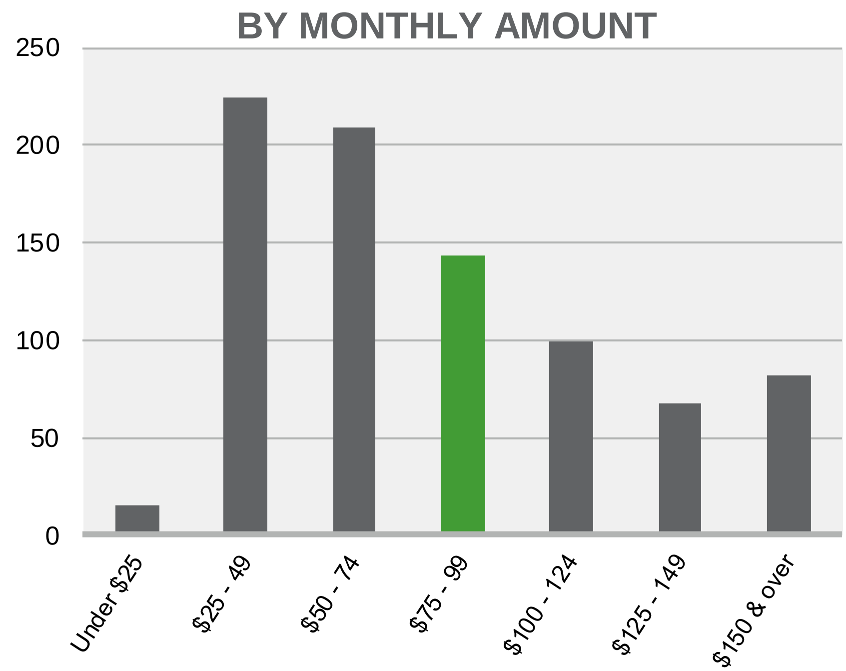
- The Trustees are in the best position to select the appropriate employment level assumption to use in long term planning for funding the Plan.
- Certifications under PPA'06 and MPRA include a projection of future contributions. Any projection of industry activity, including future employment and contribution levels, must be based on reasonable information for the projection period provided by the Trustees.
- The 2018 zone certification was based on an industry activity assumption of a level active population and contributions made for 12 months each year. It also included an assumption as to the specific withdrawal liability payments expected to be collected.

Inactive Vested Participants

- A participant who is not currently active and has satisfied the requirements for, but has not yet commenced, a pension is considered an “inactive vested” participant.
- There were 839 inactive vested participants this year, a decrease of 4.0% compared to 874 last year.
- A small cost is included for 166 inactive vested participants over age 70 as most are assumed to be either deceased or will not return to claim their benefits.

Distribution of Inactive Vested Participants as of May 31, 2018





Average age	55.1
Prior year average age	54.5
Difference	0.6

Average amount	$79
Prior year average amount	$79
Difference	$0

New Pensions Awarded

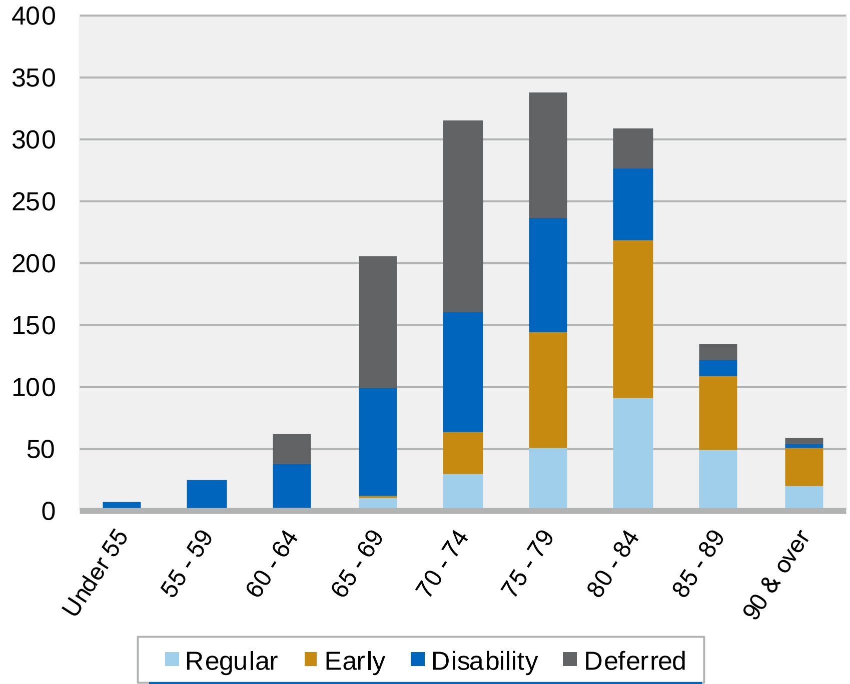
	Total		Regular		Early		Disability		Deferred	
Year Ended May 31	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount
2009	104	$113	7	$133	7	$116	36	$135	54	$95
2010	65	111	3	150	4	127	12	139	46	100
2011	42	111	4	132	1	109	6	132	31	105
2012	53	111	–	–	–	–	1	96	52	111
2013	37	109	–	–	–	–	1	150	36	108
2014	46	102	5	121	2	140	2	107	37	97
2015	36	103	13	107	1	36	2	126	20	102
2016	37	103	–	–	–	–	1	110	36	103
2017	30	92	1	153	1	123	1	116	27	88
2018	22	102	9	123	–	–	–	–	13	88

Pay Status Information

- There were 1,455 pensioners and 264 beneficiaries this year, compared to 1,507 and 279, respectively, in the prior year.
- Monthly benefits for the Plan Year ending May 31, 2018 total $164,511, as compared to $170,186 in the prior year.

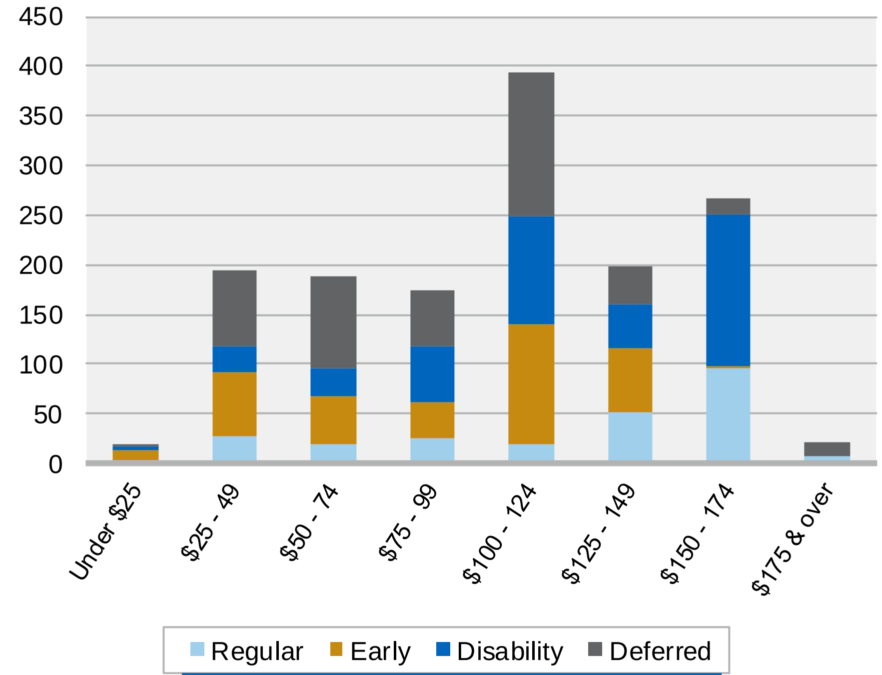
Distribution of Pensioners as of May 31, 2018

BY TYPE AND AGE



Average age	76.0
Prior year average age	75.4
Difference	0.6

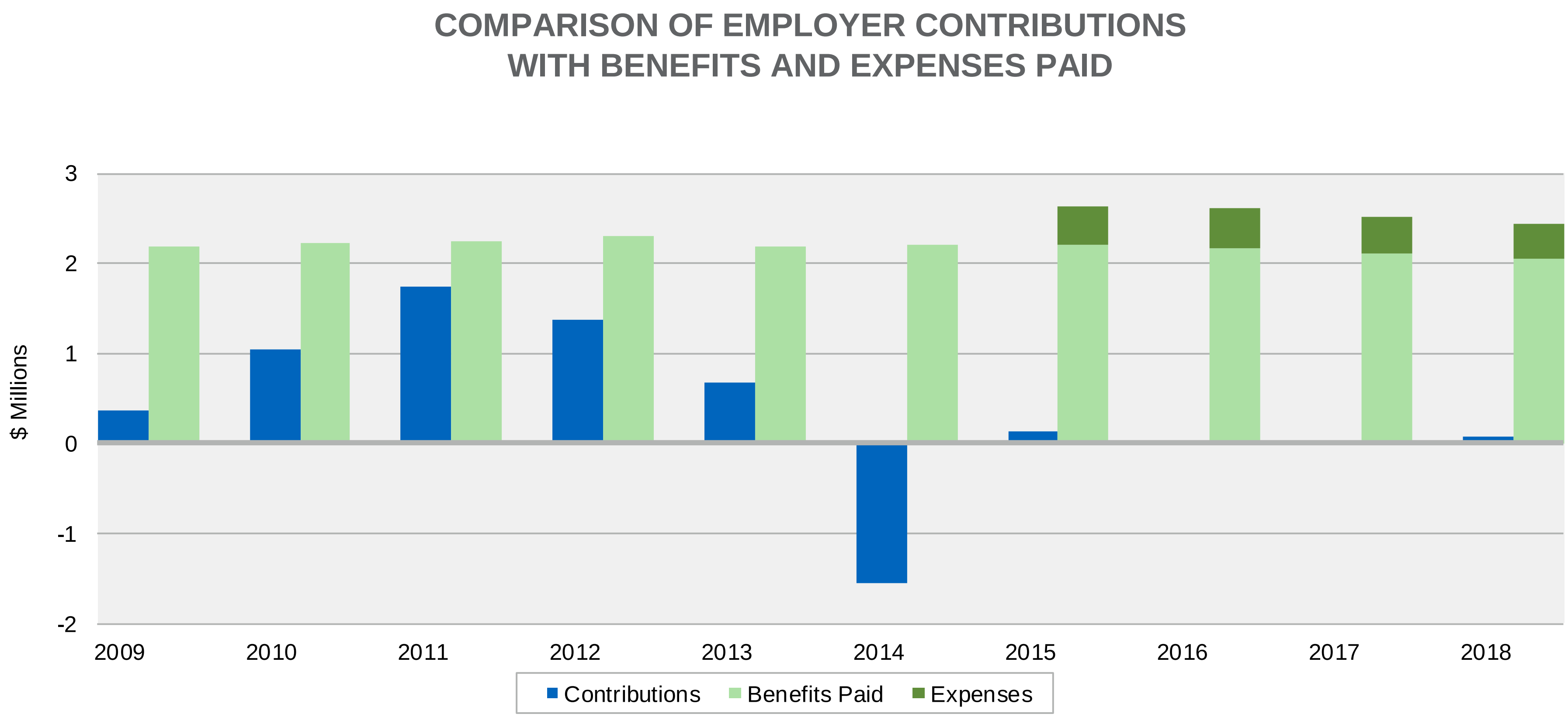
BY TYPE AND MONTHLY AMOUNT



Average amount	$105
Prior year average amount	$104
Difference	$1

Financial Information

- Benefits and expenses are funded solely from contributions and investment earnings.
- Additional detail is in *Section 3, Exhibit D*.
- For the most recent year, benefit payments and expenses were significantly higher than contributions.



Note for years prior to 2015, employer contributions are net of expenses.

Determination of Actuarial Value of Assets

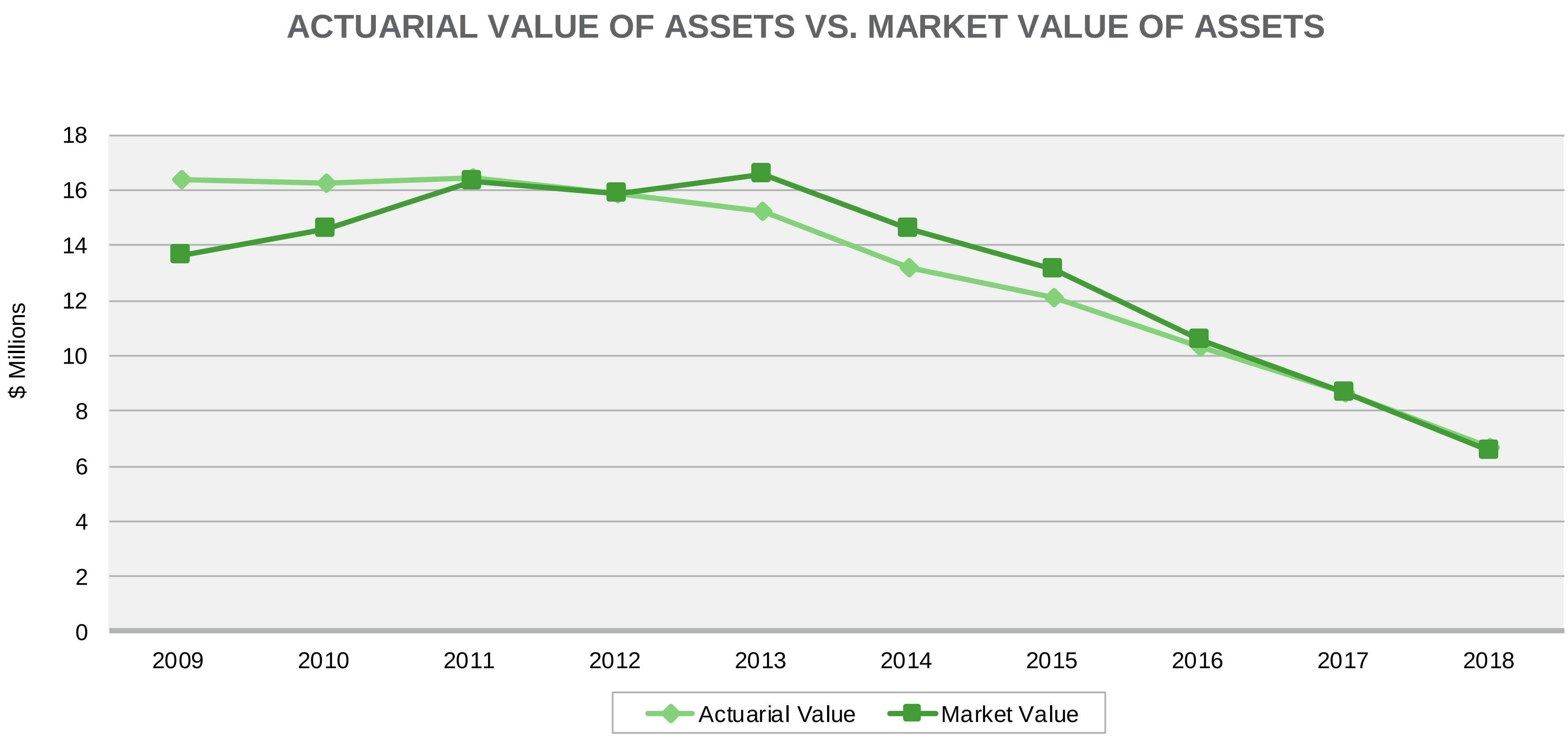
- The asset valuation method gradually recognizes annual market value fluctuations to help mitigate volatility in the actuarial cost calculations.
- Less volatility in the actuarial cost better aligns with negotiated contribution rates.

			Original Amount[1]	Unrecognized Return[2]	
1	Market value of assets, May 31, 2018				$6,567,846
2	Calculation of unrecognized return				
	(a)	Year ended May 31, 2018	-$17,657	-$14,126	
	(b)	Year ended May 31, 2017	129,263	77,558	
	(c)	Year ended May 31, 2016	-521,375	-208,550	
	(d)	Year ended May 31, 2015	138,911	27,782	
	(e)	Year ended May 31, 2014	864,627	0	
	(f)	Total unrecognized return			-$117,336
3	Preliminary actuarial value: **(1) - (2f)**				6,685,182
4	Adjustment to be within 20% corridor				0
5	Final actuarial value of assets as of May 31, 2018: **(3) + (4)**				6,685,182
6	Actuarial value as a percentage of market value: **(5) ÷ (1)**				101.8%
7	Amount deferred for future recognition: **(1) - (5)**				-$117,336

[1] Total return minus expected return on a market value basis

[2] Recognition at 20% per year over 5 years

Asset History for Years Ended May 31



Actuarial Experience

- Assumptions should reflect experience and should be based on reasonable expectations for the future.
- Each year actual experience is compared to that projected by the assumptions. Differences are reflected in the contribution requirement as an experience gain or loss.
- Assumptions are not changed if experience is believed to be a short-term development and that, over the long run, experience will return to assumed levels.
- The net experience variation for the year, other than investment experience, was -0.12% of the projected actuarial accrued liability from the prior valuation, and was not significant when compared to that liability.

EXPERIENCE FOR THE YEAR ENDED MAY 31, 2018

1	Gain from investments	$119,517
2	Gain from administrative expenses	26,849
3	Net loss from other experience	-61,876
4	**Net experience gain: 1 + 2 + 3**	**$84,490**

Actuarial Value Investment Experience

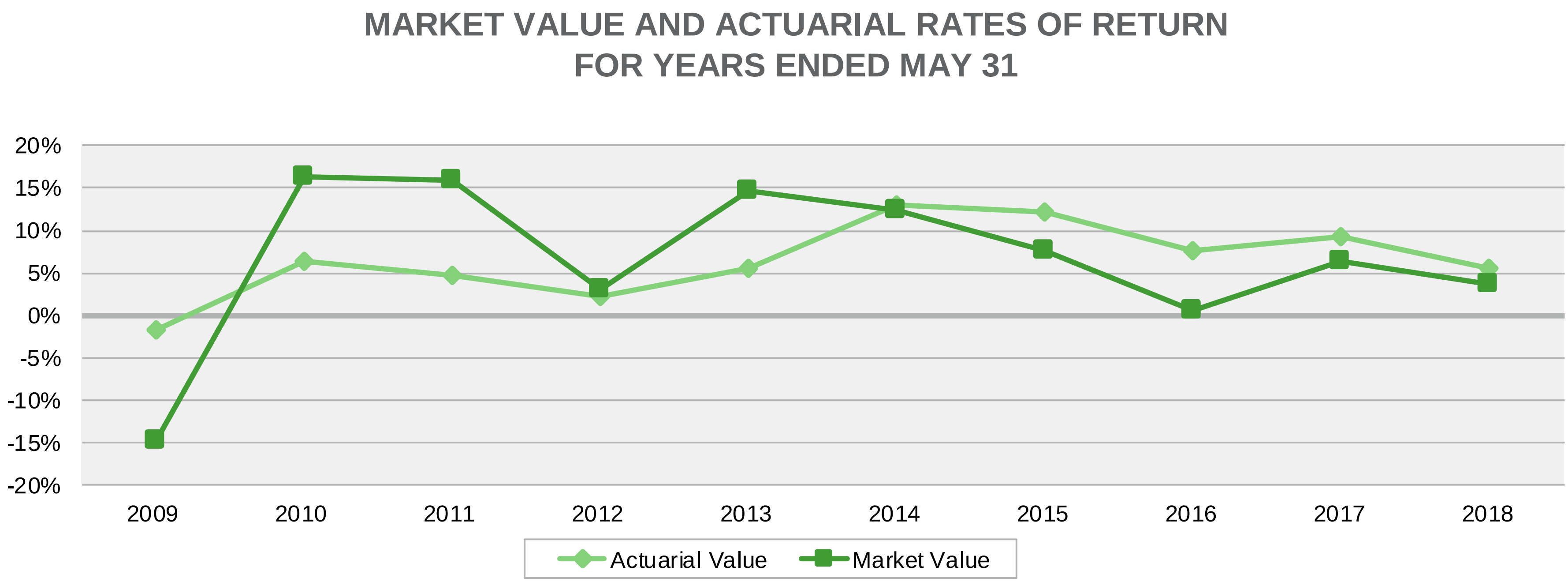
- Net investment income consists of expected investment income at the actuarially assumed rate of return net of investment expenses, and an adjustment for market value changes.
- The actuarial value of assets does not yet fully recognize past investment gains and losses, which will affect future actuarial investment returns.

INVESTMENT EXPERIENCE FOR THE YEAR ENDED MAY 31, 2018

1	Net investment income	$414,759
2	Average actuarial value of assets	7,381,056
3	Rate of return: **1** ÷ **2**	5.62%
4	Assumed rate of return	4.00%
5	Expected net investment income: **2 x 4**	$295,242
6	**Actuarial gain from investments: 1 - 5**	**$119,517**

Historical Investment Returns

- Actuarial planning is long term.
- The assumed long-term rate of return of 4.00% considers past experience, the Trustees' asset allocation policy and future expectations.



Average Rates of Return	Actuarial Value	Market Value
Most recent year return:	5.62%	3.76%
Most recent five-year average return:	10.02%	6.67%
Ten-year average return:	5.99%	6.39%

Non-Investment Experience

Administrative Expenses

- Administrative expenses for the year ended May 31, 2018 totaled $398,631, as compared to the assumption of $425,000.

Mortality Experience

- Mortality experience (more or fewer than expected deaths) yields actuarial gains or losses.
- The average number of deaths for nondisabled pensioners over the past four years was 49 per year compared to 46 projected deaths per year. The average number of deaths for disabled pensioners over the past four years was 11 per year compared to 14 projected deaths per year.

Other Experience

- Other differences between projected and actual experience include the extent of turnover among the participants, retirement experience (earlier or later than projected), and the number of disability retirements.

Actuarial Assumptions

- There were no changes in assumptions since the prior valuation.
- Details on actuarial assumptions and methods are in *Section 4, Exhibit 8*.

Plan Provisions

- There were no changes in plan provisions since the prior valuation.
- A summary of plan provisions is in *Section 4, Exhibit 9*.

Contribution Rate Changes

- There were no changes in contribution rates since the prior valuation.

Pension Protection Act of 2006

2018 Actuarial Status Certification

- PPA'06 requires trustees to actively monitor their plans' financial prospects to identify emerging funding challenges so they can be addressed effectively. Details are shown in *Section 3, Exhibit J*.
- The 2018 certification, completed on August 29, 2018, was based on the liabilities calculated in the June 1, 2017 actuarial valuation projected to May 31, 2018, and estimated asset information as of May 31, 2018. The Trustees provided an industry activity assumption of a level active population working 12 months per year. It also includes an assumption as to the specific withdrawal liability payments expected to be collected.
- This Plan was classified as critical and is also critical and declining (*Red Zone*) due to various factors including that the Plan was previously classified as critical and there is currently a funding deficiency that is projected to grow in the future. In addition, there is an inability to pay benefits projected within 15 years.

Year	Zone Status
2009	RED
2010	RED
2011	RED
2012	RED
2013	RED
2014	RED
2015	RED
2016	RED
2017	RED
2018	RED

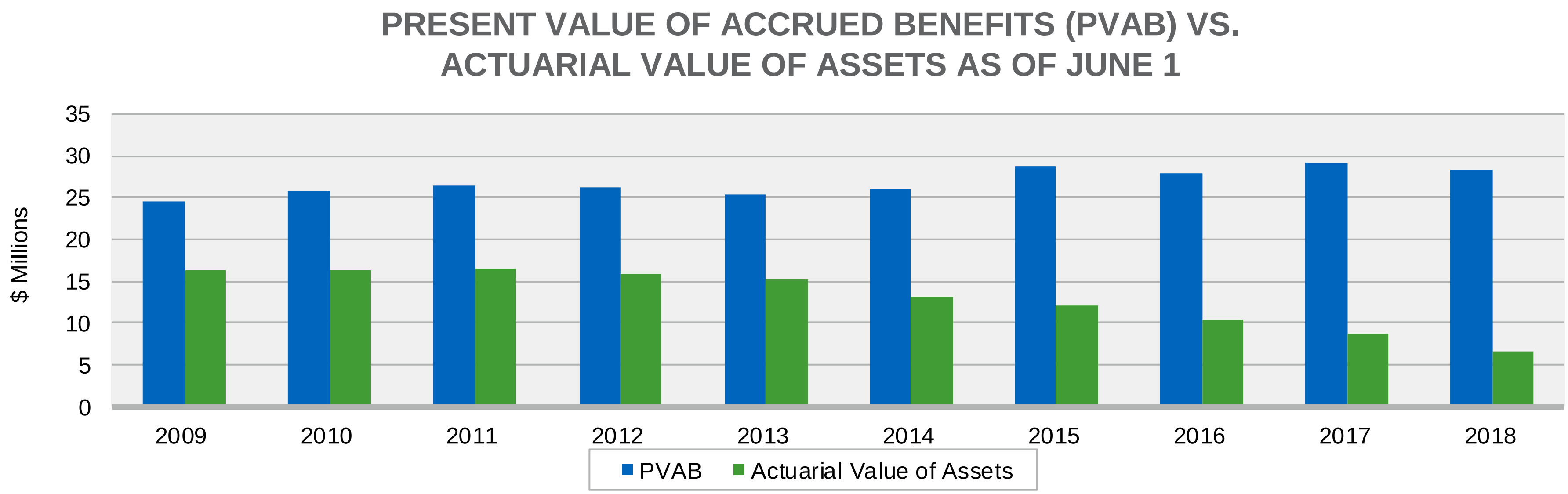
Rehabilitation Plan Update

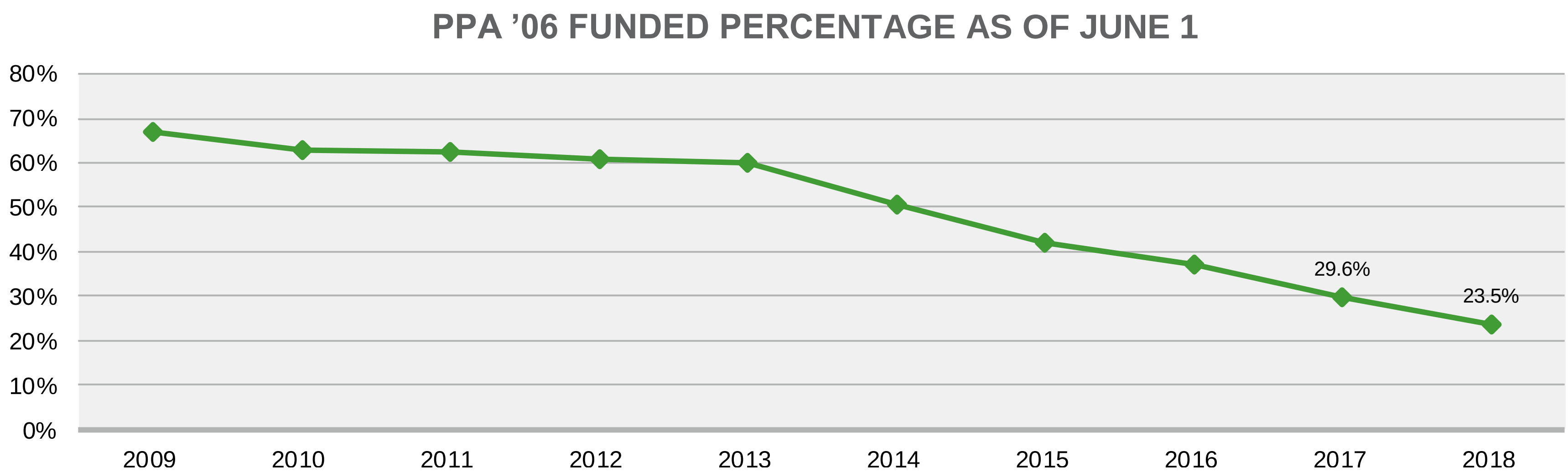
- Section 432(e)(3)(B) requires that the Trustees annually update the Rehabilitation Plan and Schedules.
- Based on the results and assumptions used in the valuation, projections show the Plan is not expected to emerge from critical status within the Rehabilitation Period. The Plan's Rehabilitation Period began June 1, 2011 and ends May 31, 2024.
- The annual standards detailed in the updated Rehabilitation Plan that the Fund is not expected to become insolvent before June 2019, are projected to be met.
- We will continue to work with the Trustees and Fund Counsel to provide annual cash flow projections to assist the Trustees to evaluate and update the Rehabilitation Plan on an annual basis. In addition, we will prepare the required assessment of Scheduled Progress in meeting the requirements of the Rehabilitation Plan.

Funding Standard Account (FSA)

- On May 31, 2018, the FSA had a funding deficiency of $14,394,035, as shown on the 2017 Schedule MB. Contributions meet the legal requirement on a cumulative basis if that account shows no deficiency. However, employers contributing to plans in critical status will generally not be penalized if a funding deficiency develops, provided the parties fulfill their obligations under the Rehabilitation Plan, including negotiation of bargaining agreements consistent with Schedules provided by the Trustees.
- The minimum funding requirement for the year beginning June 1, 2018 is $16,491,915.
- Based on the assumption that 4 participants will work an average of 12 months at a $97.00 contribution rate, and including expected withdrawal liability settlement payment of $235,977 and continued withdrawal liability payments, the contributions projected for the year beginning June 1, 2018 are $281,960. Therefore, the accumulated funding deficiency of $14,394,085 is expected to grow for the coming year and continue to grow into the future.
- A summary of the ERISA minimum funding requirements and the FSA for the year ended May 31, 2018 is included in *Section 3, Exhibit G*.
- The funding deficiency is projected to continue growing, assuming that:
  - the Plan will earn a market rate of return equal to 4.00% each year,
  - all other experience emerges as assumed, no further assumption changes are made,
  - there are no plan amendments or changes in law regulations, and
  - administrative expenses are projected to increase 2% per year.

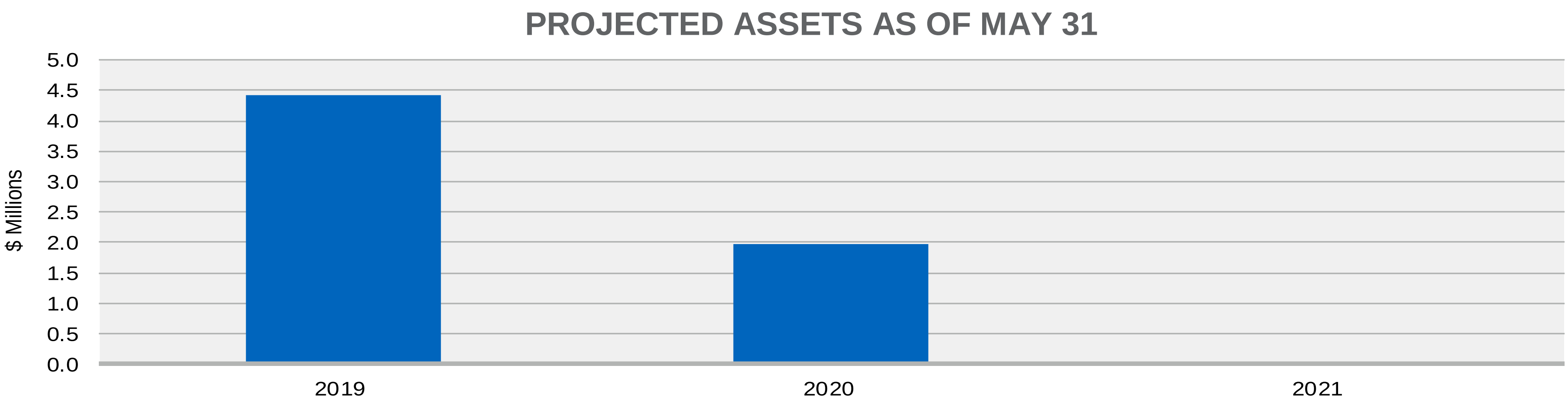
PPA'06 Funded Percentage Historical Information





Solvency Projection

- PPA'06 requires Trustees to monitor plan solvency - the ability to pay benefits and expenses when due. MPRA classifies red zone plans that are projected to become insolvent within 15 or 20 years as "critical and declining." See *Section 3, Exhibit I* for more information.
- This Plan was certified as critical and declining based on a projected insolvency within three years from June 1, 2018. Based on this valuation, assets are still projected to be exhausted in the year beginning June 1, 2020, specifically April 2021, the same year as shown in this year's PPA certification. Therefore, PBGC financial assistance will be needed to continue payment of the Plan's benefit at the reduced PBGC guaranteed benefit level.
- This projection is based on the negotiated contribution rates, including all future contribution rate increases reflected in the Rehabilitation Plan, the current valuation assumptions and the Trustees' industry activity projections, including withdrawal liability payments to be received from the mass withdrawn employer Hospital del Maestro and payment to settle the withdrawal liability for Hotel Melia. All others are either currently in bankruptcy, have no withdrawal liability or have satisfied their withdrawal liability payments.
- The Plan is operating under a Rehabilitation Plan that is intended to forestall insolvency. Since the Plan is facing insolvency, this report does not contain a long-term "scheduled cost" measure that the Trustees could use to evaluate whether benefit levels are sustainable given negotiated contributions. Instead, this section provides information about the Plan's projected insolvency based on the Rehabilitation Plan.



Additional scenarios would demonstrate sensitivity to investment return, employment and other alternative assumptions.

Funding Concerns and Risk

- The imbalance between the benefit levels in the Plan and the resources available to pay for them must be addressed.
- The actions already taken to address this issue include the adoption of a Rehabilitation Plan that is intended to forestall insolvency.
- The actuarial valuation results are dependent on a single set of assumptions; however, there is a risk that emerging results may differ significantly as actual experience proves to be different from the current assumptions.
- We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition, but have included a brief discussion of some risks that may affect the Plan.
- A more detailed assessment of the risks would provide the Trustees with a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing and stochastic modeling.
- A detailed risk assessment could be important for your Plan because the Plan assets are quickly diminishing.
- Investment Risk (the risk that returns will be different than expected)

  As can be seen in Section 3, the market value rate of return over the last ten years has ranged from a low of -14.77% to a high of 16.28%.
- Contribution Risk (the risk that actual contributions will be different from projected contributions)
- Longevity Risk (the risk that mortality experience will be different than expected)
- Other Demographic Risk (the risk that participant experience will be different than assumed)

  Examples of this risk include:
  - Actual retirements occurring earlier or later than assumed.
  - Return to covered employment of previously inactive participants.
- Actual Experience over the Last 10 years and Implications for the Future

  Past experience can help demonstrate the sensitivity of key results to the Plan's actual experience. Over the past ten years:
  - The investment gain(loss) on market value for a year has ranged from a loss of $3,695,801 to a gain of $1,222,694.
  - The funded percentage for PPA purposes has ranged from a low of 23.5% to a high of 66.8% since 2008.

- Maturity Measures

  The risk associated with a pension plan increases as it becomes more mature, meaning that the actives represent a smaller portion of the liabilities of the plan. When this happens, there is a greater risk that fluctuations in the experience of the non-active participants or of the assets of the plan can result in large swings in the contribution requirements.

  - Over the past ten years, the ratio of non-active participants to active participants has increased from a low of 26.19 to a high of 709.00.
  - As of May 31, 2018, the retired life actuarial accrued liability represents 70% of the total actuarial accrued liability. In addition, the actuarial accrued liability for inactive vested participants represents 30% of the total. The higher the non-active actuarial accrued liability is as a percent of the total liability, the greater the danger of volatility in results.
  - Benefits and administrative expenses less contributions totaled $2,365,938 as of May 31, 2018, 36% of the market value of assets. The Plan is dependent upon investment returns in order to pay benefits.

Withdrawal Liability

- As of May 31, 2018, the actuarial present value of vested plan benefits for withdrawal liability purposes is $29,603,681.
- For purposes of determining the present value of vested benefits, we excluded benefits that are not protected by IRC Section 411(d)(6).
- Reductions in accrued benefits or contribution surcharges for a plan in critical status (*Red Zone*) are disregarded in determining an employer's allocation of the UVB.
- Note that the unfunded present value of vested benefits shown below does not reflect the present value of withdrawal liability payments that can reasonably be expected to be collected from withdrawn employers.
- The $772,946 increase in the unfunded present value of vested benefits from the prior year is primarily due to a less than expected return on a market value basis.

		May 31	
		2017	2018
1	Present value of vested benefits (PVVB) measured as of valuation date	$30,918,325	$29,603,681
2	Market value of assets	8,655,436	6,567,846
3	Unfunded present value of vested benefits (UVB): 1 - 2, not less than $0	$22,262,889	$23,035,835

Withdrawal Liability Assumptions

- The actuarial assumptions and methods are reasonable (taking into account the experience of the Plan and reasonable expectations) and, in combination, represent the actuary's best estimate of anticipated experience under the Plan to determine the unfunded vested benefits for withdrawal liability purposes.
- The interest rate is based on a blend, which includes rates selected based on estimated annuity purchase rates for benefits being settled, because withdrawal liability is a final settlement of an employer's obligations to the Plan. For benefits that could be settled immediately, because assets on hand are sufficient, the annuity purchase rates are those promulgated by PBGC under ERISA Sec. 4044 for multiemployer plans terminating by mass withdrawal on the measurement date. For benefits that cannot be settled immediately because they are not currently funded, the calculation uses rates equal to the interest rate used for plan funding calculations.

Interest	For liabilities up to market value of assets, 2.27% for 20 years and 2.59% beyond (2.15% for 20 years and 2.60% beyond, in the prior year valuation). For liabilities in excess of market value of assets, same as used for plan funding as of June 1, 2018 (the corresponding funding rate as of a year earlier was used for the prior year's value).
Administrative Expenses	Calculated as prescribed by PBGC formula (29 CFR Part 4044, Appendix C); not applicable to those liabilities determined using funding interest rates.
Mortality	Same as used for plan funding as of June 1, 2018 the corresponding mortality rates as of a year earlier were used for the prior year's value).
Retirement Rates	Same as used for plan funding as of June 1, 2018 (the corresponding retirement rates as of a year earlier were used for the prior year's value).

Disclosure Requirements

Annual Funding Notice

- The actuarial information to be provided in the annual funding notice is shown in *Section 3, Exhibit F*.
- The value of plan benefits earned to date as of June 1, 2018 is $28,396,638 using the long-term funding interest rate of 4.00%. As the actuarial value of assets is $6,685,182, the Plan's funded percentage is 23.5%, compared to 29.6% in the prior year.

Current Liability

- The Plan's current liability as of June 1, 2018 is $31,767,453 using an interest rate of 3.00%. The market value of assets as shown in the audited financial statements, including withdrawal liability payments receivable of $322,199, is $6,890,045. The funded current liability percentage is 21.7%. This is required to be disclosed on the 2018 Schedule MB of IRS Form 5500 since it is less than 70%. Details are shown in *Section 4, Exhibit 3*.

Accounting Information

- The Financial Accounting Standards Board (FASB) requires determination of the present value of accumulated plan benefits - the single-sum value of the benefits, vested or not, earned by participants as of the valuation date. Additional details on the present value of the accumulated plan benefits can be found in *Section 4, Exhibit 2*.

Section 3: Supplementary Information

EXHIBIT A - TABLE OF PLAN COVERAGE

Category	Year Ended May 31 2017	Year Ended May 31 2018	Change from Prior Year
Active participants in valuation:			
• Number	4	4	0.0%
• Average age	39.4	40.4	1.0
• Average pension credits	6.0	6.8	0.8
• Total active vested participants	2	4	100.0%
Inactive participants with rights to a pension:			
• Number	874	839	-4.0%
• Average age	54.5	55.1	0.6
• Average monthly benefit	$79	$79	0.0%
Pensioners:			
• Number in pay status	1,507	1,455	-3.5%
• Average age	75.4	76.0	0.6
• Average monthly benefit	$104	$105	1.0%
• Number in suspended status	3	20	566.7%
Beneficiaries:			
• Number in pay status	279	264	-5.4%
• Average age	76.8	77.7	0.9
• Average monthly benefit	$48	$47	-1.6%
Total Participants	**2,667**	**2,582**	**-3.2%**

EXHIBIT B - PARTICIPANT POPULATION

Year Ended May 31	Active Participants	Inactive Vested Participants	Pensioners and Beneficiaries	Ratio of Non-actives to Actives
2009	125	1,360	1,914	26.19
2010	51	1,329	1,928	63.86
2011	14	1,276	1,903	227.07
2012	13	1,192	1,901	237.92
2013	15	1,121	1,872	199.53
2014	12	1,048	1,859	242.25
2015	4	990	1,846	709.00
2016	4	929	1,825	688.50
2017	4	874	1,789	665.75
2018	4	839	1,739	644.50

EXHIBIT C - PROGRESS OF PENSION ROLLS OVER THE PAST TEN YEARS

IN PAY STATUS AT YEAR END

Year	Number	Average Age	Average Amount	Terminations[1]	Additions[2]
2009	1,617	71.2	$101	32	104
2010	1,626	71.6	102	56	65
2011	1,611	72.1	103	57	42
2012	1,611	72.6	104	70	70
2013	1,592	73.2	104	66	47
2014	1,572	73.7	104	70	50
2015	1,561	74.3	104	47	36
2016	1,550	74.8	104	50	39
2017	1,507	75.4	104	76	33
2018	1,455	76.0	105	74	22

1 Terminations include pensioners who died, were suspended or received small benefit cashouts during the prior plan year.

2 Additions to the pension rolls include new pensions awarded and suspended pensioners who have been reinstated.

EXHIBIT D - SUMMARY STATEMENT OF INCOME AND EXPENSES ON AN ACTUARIAL BASIS

	Year Ended May 31, 2017		Year Ended May 31, 2018	
Contribution income:				
• Employer contributions	$6,656		$50,303	
Net contribution income		*$6,656*		*$50,303*
Investment income:				
• Expected investment income	$449,681		$295,242	
• Adjustment toward market value	379,656		119,517	
Net investment income		*829,337*		*414,759*
Other Income		*0*		*33,395*
Total income available for benefits		**$835,993**		**$498,457**
Less benefit payments and expenses:				
• Pension benefits	-$2,103,151		-$2,051,005	
• Administrative expenses	-417,697		-398,631	
Total benefit payments and expenses		*-$2,520,848*		*-$2,449,636*
Change in reserve for future benefits		**-$1,684,855**		**-$1,951,179**
Net assets at market value [1]		**$8,655,436**		**$6,567,846**
Net assets at actuarial value [1]		**$8,636,361**		**$6,685,182**

[1] Excludes withdrawal liability payments receivable of $322,199 for 2018 and $133,966 for 2017.

EXHIBIT E - INVESTMENT RETURN – ACTUARIAL VALUE VS. MARKET VALUE

Year Ended May 31	Actuarial Value Investment Return		Market Value Investment Return	
	Amount	Percent[1]	Amount	Percent
2009	-$298,662	-1.74%	-$2,451,381	-14.77%
2010	1,015,972	6.48%	2,108,106	16.28%
2011	736,582	4.66%	2,259,390	15.93%
2012	361,919	2.28%	487,291	3.10%
2013	841,049	5.60%	2,198,717	14.64%
2014	1,730,496	13.01%	1,818,010	12.39%
2015	1,441,525	12.17%	1,002,939	7.55%
2016	821,151	7.65%	65,740	0.56%
2017	829,337	9.22%	591,776	6.40%
2018	414,759	5.62%	278,348	3.76%
Total	$7,894,128		$8,358,936	
Most recent five-year average return:		**10.02%**		**6.67%**
Ten-year average return:		**5.99%**		**6.39%**

Note: Each year's yield is weighted by the average asset value in that year.

EXHIBIT F - ANNUAL FUNDING NOTICE FOR PLAN YEAR BEGINNING JUNE 1, 2018 AND ENDING MAY 31, 2019

	2018 Plan Year	2017 Plan Year	2016 Plan Year
Actuarial valuation date	June 1, 2018	June 1, 2017	June 1, 2016
Funded percentage	23.5%	29.6%	37.0%
Value of assets	$6,685,182	$8,636,361	$10,321,216
Value of liabilities	28,396,638	29,224,953	27,917,886
Fair market value of assets as of plan year end	Not available	6,567,846	8,655,436

Critical or Endangered Status

The Plan was in critical status and it was also in critical and declining status in the plan year due to various factors including that the Plan was previously classified as critical and there is currently a funding deficiency that is projected to grow in the future. In addition, there is an inability to pay benefits projected within 15 years. The Trustees adopted a Rehabilitation Plan on April 23, 2009 and most recently updated it on May 31, 2018, that is intended to forestall plan insolvency.

EXHIBIT G - FUNDING STANDARD ACCOUNT

- ERISA imposes a minimum funding standard that requires the Plan to maintain an FSA. The accumulation of contributions in excess of the minimum required contributions is called the FSA credit balance. If actual contributions fall short on a cumulative basis, a funding deficiency has occurred. For a plan that is in critical status under PPA'06, employers will generally not be penalized if a funding deficiency develops, provided the parties fulfill their obligations in accordance with the Rehabilitation Plan developed by the Trustees and the negotiated bargaining agreements reflect that Rehabilitation Plan.
- The FSA is charged with the normal cost and the amortization of increases or decreases in the unfunded actuarial accrued liability due to plan amendments, experience gains or losses, and changes in actuarial assumptions and funding methods. The FSA is credited with employer contributions and withdrawal liability payments. All items, including the prior credit balance or deficiency, are adjusted with interest at the actuarially assumed rate.
- Increases or decreases in the unfunded actuarial accrued liability are amortized over 15 years except that short-term benefits, such as 13th checks, are amortized over the scheduled payout period.

FSA FOR THE YEAR ENDED MAY 31, 2018

	Charges			Credits	
1	Prior year funding deficiency	$12,098,177	6	Prior year credit balance	$0
2	Normal cost, including administrative expenses	417,442	7	Employer contributions	50,303
3	Total amortization charges	2,713,615	8	Total amortization credits	1,339,560
4	Interest to end of the year	609,169	9	Interest to end of the year	54,505
5	*Total charges*	*$15,838,403*	10	Full-funding limitation credit	0
			11	*Total credits*	*$1,444,368*
				Credit balance (Funding deficiency): 11 - 5	**-$14,394,035**

EXHIBIT H - MAXIMUM DEDUCTIBLE CONTRIBUTION

- Employers that contribute to defined benefit pension plans are allowed a current deduction for payments to such plans. There are various measures of a plan's funded level that are considered in the development of the maximum deductible contribution amount.
- One of the limits is the excess of 140% of "current liability" over assets. "Current liability" is one measure of the actuarial present value of all benefits earned by the participants as of the valuation date. This limit is significantly higher than the current contribution level.
- Contributions in excess of the maximum deductible amount are not prohibited; only the deductibility of these contributions is subject to challenge and may have to be deferred to a later year. In addition, if contributions are not fully deductible, an excise tax in an amount equal to 10% of the non-deductible contributions may be imposed. However, the plan sponsor may elect to exempt the non-deductible amount up to the ERISA full-funding limitation from the excise tax.
- The Trustees should review the interpretation and applicability of all laws and regulations concerning any issues as to the deductibility of contribution amounts with Fund Counsel.
- Please note that the Puerto Rico Tax authority may have different rules governing that tax deductibility of pension contributions. The references in this report are all to the U.S. Internal Revenue Code.

1	Normal cost, including administrative expenses	$417,441
2	Amortization of unfunded actuarial accrued liability	2,574,548
3	Preliminary maximum deductible contribution: **1 + 2**, with interest to the end of the plan year	$3,111,668
4	Full-funding limitation (FFL)	23,164,540
5	Preliminary maximum deductible contribution, adjusted for FFL: **lesser of 3 and 4**	3,111,668
6	Current liability for maximum deductible contribution, projected to the end of the plan year	30,507,428
7	Actuarial value of assets, projected to the end of the plan year	4,292,145
8	Excess of 140% of current liability over projected assets at end of plan year: **[140% of (6)] - (7),** not less than zero	38,418,254
9	End of year minimum required contribution	16,491,916
Maximum deductible contribution: greatest of 5, 8, and 9		**$38,418,254**

PPA'06 Zone Status

- Based on projections of the credit balance in the FSA, the funded percentage, and cash flow sufficiency tests, plans are categorized in one of three "zones": critical status, endangered status, or neither.
- The funded percentage is determined using the actuarial value of assets and the present value of benefits earned to date, based on the actuary's best estimate assumptions.

<table>
<tr>
<td>Critical Status
(Red Zone)</td>
<td>A plan is classified as being in critical status (the Red Zone) if:
• The funded percentage is less than 65%, and either there is a projected FSA deficiency within five years or the plan is projected to be unable to pay benefits within seven years, or
• There is a projected FSA deficiency within four years, or
• There is a projected inability to pay benefits within five years, or
• The present value of vested benefits for inactive participants exceeds that for actives, contributions are less than the value of the current year's benefit accruals plus interest on existing unfunded accrued benefit liabilities, and there is a projected FSA deficiency within five years, or
• As permitted by the Multiemployer Pension Reform Act of 2014, the plan is projected to be in the Red Zone within the next five years and the plan sponsor elects to be in critical status.

A critical status plan is further classified as being in critical and declining status if:
• The ratio of inactives to actives is at least 2 to 1, and there is an inability to pay benefits projected within 20 years, or
• The funded percentage is less than 80%, and there is an inability to pay benefits projected within 20 years, or
• There is an inability to pay benefits projected within 15 years.

Any amortization extensions are ignored for testing initial entry into the Red Zone.

The Trustees are required to adopt a formal Rehabilitation Plan, designed to allow the plan to emerge from critical status by the end of the rehabilitation period. If they determine that such emergence is not reasonable, the Rehabilitation Plan must be designed to emerge as of a later time or to forestall possible insolvency.

Trustees of Red Zone plans have tools, such as the ability to reduce or eliminate early retirement subsidies, to remedy the situation. Accelerated forms of benefit payment (such as lump sums) are prohibited. However, unless the plan is critical and declining, Trustees may not reduce benefits of participants who retired before being notified of the plan's critical status (other than rolling back recent benefit increases) or alter core retirement benefits payable at normal retirement age.</td>
</tr>
</table>

Endangered Status (*Yellow Zone*)	A plan not in critical status (*Red Zone*) is classified as being in endangered status (the *Yellow Zone*) if: • The funded percentage is less than 80%, or • There is a projected FSA deficiency within seven years. A plan that has both of the endangered conditions present is classified as seriously endangered. Trustees of a plan that was in the *Green Zone* in the prior year can elect not to enter the *Yellow Zone* in the current year (although otherwise required to do so) if the plan's current provisions would be sufficient (with no further action) to allow the plan to emerge from the *Yellow Zone* within 10 years. The Trustees are required to adopt a formal Funding Improvement Plan, designed to improve the current funded percentage, and avoid a funding deficiency as of the emergence date.
Green Zone	A plan not in critical status (the *Red Zone*) nor in endangered status (the *Yellow Zone*) is classified as being in the *Green Zone.*

Early Election of Critical Status	Trustees of a *Green* or *Yellow Zone* plan that is projected to enter the *Red Zone* within the next five years must elect whether or not to enter the *Red Zone* for the current year.

Section 4: Certificate of Actuarial Valuation

APRIL 4, 2019

CERTIFICATE OF ACTUARIAL VALUATION

This is to certify that Segal Consulting, a Member of The Segal Group, Inc. (“Segal”) has prepared an actuarial valuation of the Gastronomical Workers Union Local 610 and Metropolitan Hotel Association Pension Fund as of June 1, 2018 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

The valuation is based on the assumption that the Plan is qualified as a multiemployer plan for the year and on information supplied by the auditor with respect to contributions and assets and reliance on the Plan Administrator with respect to the participant data. Segal Consulting does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results. Adjustments for incomplete or apparently inconsistent data were made as described in the attached *Exhibit 8*.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate. Each prescribed assumption for the determination of Current Liability was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

Lissette Ortiz

Lissette Ortiz, MAAA
Consulting Actuary
Enrolled Actuary No. 17-07444

EXHIBIT 1 - SUMMARY OF ACTUARIAL VALUATION RESULTS

The valuation was made with respect to the following data supplied to us by the Plan Administrator:

Pensioners as of the valuation date (including 264 beneficiaries in pay status and 20 pensioners in suspended status)		1,739
Participants inactive during year ended May 31, 2018 with vested rights		839
Participants active during the year ended May 31, 2018		4
• Fully vested	4	
Total participants		**2,582**

The actuarial factors as of the valuation date are as follows:

Normal cost, including administrative expenses		$417,441
Actuarial present value of projected benefits		28,422,610
Present value of future normal costs		20,265
Actuarial accrued liability		28,402,345
• Pensioners and beneficiaries	$19,974,597	
• Inactive participants with vested rights	8,408,302	
• Active participants	19,446	
Actuarial value of assets ($6,567,846[1] at market value as reported by Calibre, CPA Group)		$6,685,182
Unfunded actuarial accrued liability		21,717,163

[1] Excludes withdrawal receivable of $322,199.

EXHIBIT 2 - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

The actuarial present value of accumulated plan benefits calculated in accordance with FASB ASC 960 is shown below as of June 1, 2017 and as of June 1, 2018. In addition, the factors that affected the change between the two dates follow.

	Benefit Information Date	
	June 1, 2017	June 1, 2018
Actuarial present value of vested accumulated plan benefits:		
• Participants currently receiving payments	$20,712,350	$19,974,597
• Other vested benefits	8,508,938	8,422,041
• Total vested benefits	$29,221,288	$28,396,638
Actuarial present value of non-vested accumulated plan benefits	3,665	0
Total actuarial present value of accumulated plan benefits	**$29,224,953**	**$28,396,638**

Factors	Change in Actuarial Present Value of Accumulated Plan Benefits
Benefits accumulated, net experience gain or loss, changes in data	$98,130
Benefits paid	-2,051,005
Interest	1,124,560
Total	**-$828,315**

EXHIBIT 3 - CURRENT LIABILITY

The table below presents the current liability for the Plan Year beginning June 1, 2018.

Item[1]		Amount
Retired participants and beneficiaries receiving payments		$21,962,036
Inactive vested participants		9,786,369
Active participants		
• Non-vested benefits	$0	
• Vested benefits	19,048	
• *Total active*		*$19,048*
Total		**$31,767,453**

Expected increase in current liability due to benefits accruing during the plan year	$2,765
Expected release from current liability for the plan year	2,180,464
Expected plan disbursements for the plan year, including administrative expenses of $425,000	2,605,464
Current value of assets[2]	$6,890,045
Percentage funded for Schedule MB	21.7%

[1] The actuarial assumptions used to calculate these values are shown in Exhibit 8.

[2] As shown in the audited financial statements including withdrawal liability payments receivable of $322,199.

EXHIBIT 4 - INFORMATION ON PLAN STATUS AS OF JUNE 1, 2018

Plan status (as certified on August 29, 2018, for the 2018 zone certification)	***"Critical and Declining"***
Scheduled progress (as certified on August 29, 2018, for the 2018 zone certification)	Yes
Actuarial value of assets for FSA	$6,685,182
Accrued liability under unit credit cost method	28,396,638
Funded percentage for monitoring plan's status	23.5%
Reduction in unit credit accrued liability benefits since the prior valuation date resulting from the reduction in adjustable benefits	0
Year in which insolvency is expected, year beginning	June 1, 2020

EXHIBIT 5 - SCHEDULE OF PROJECTION OF EXPECTED BENEFIT PAYMENTS

(SCHEDULE MB, LINE 8b(1))

Plan Year	Expected Annual Benefit Payments[1]
2018	$2,179,101
2019	2,139,274
2020	2,098,108
2021	2,061,042
2022	2,013,042
2023	1,954,300
2024	1,898,763
2025	1,841,259
2026	1,789,634
2027	1,730,373

[1] Does not reflect any reduction that may occur as a result of plan insolvency. Assuming as of the valuation date:

- no additional accruals,
- experience is in line with valuation assumptions, and
- no new entrants are covered by the plan.

EXHIBIT 6 - SCHEDULE OF ACTIVE PARTICIPANT DATA

(SCHEDULE MB, LINE 8b(2))

The participant data is for the year ended May 31, 2018.

	Pension Credits		
Age	Total	1-4	5-9
30 - 34	1	–	1
35 - 39	1	1	–
40 - 44	1	1	–
45 - 49	1	–	1
Total	**4**	**2**	**2**

EXHIBIT 7 - FUNDING STANDARD ACCOUNT

The table below presents the FSA for the Plan Year ending May 31, 2019.

Charges			Credits		
1	Prior year funding deficiency	$14,394,035	**6**	Amortization credits	$1,346,868
2	Normal cost, including administrative expenses	417,441	**7**	Interest on **6**	53,875
3	Amortization charges	2,393,004	**8**	Full-funding limitation credit	0
4	Interest on **1, 2 and 3**	688,179			
5	Total charges	$17,892,659	**9**	Total credits	$1,400,743
Minimum contribution with interest required to avoid a funding deficiency: **5 - 9**, not less than zero					$16,491,916

Full Funding Limitation (FFL) and Credits	
ERISA FFL (accrued liability FFL)	$23,142,018
RPA’94 override (90% current liability FFL)	23,164,540
FFL credit	0

EXHIBIT 7 - FUNDING STANDARD ACCOUNT (*CONTINUED)*

Schedule of FSA Bases (Charges) (Schedule MB, Line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Plan amendment	06/01/1980	$1,778	2	$3,488
Plan amendment	06/01/1981	180,296	3	520,350
Plan amendment	06/01/1990	221,381	2	434,248
Plan amendment	06/01/1991	147,399	3	425,408
Assumption change	06/01/1998	31,981	10	269,769
Actuarial loss	06/01/2004	56,744	1	56,744
Actuarial loss	06/01/2005	84,317	2	165,391
Actuarial loss	06/01/2006	97,010	3	279,979
Assumption change	06/01/2006	93,342	18	1,228,904
Actuarial loss	06/01/2007	4,011	4	15,141
Assumption change	06/01/2008	56,978	5	263,800
Actuarial loss	06/01/2008	68,831	5	318,679
Assumption change	06/01/2009	109,365	6	596,236
Actuarial loss	06/01/2009	184,176	6	1,004,096
Actuarial loss	06/01/2010	7,339	7	45,808
Assumption change	06/01/2010	143,124	7	893,398
Actuarial loss	06/01/2011	5,515	8	38,619
Assumption change	06/01/2011	137,309	8	961,446
Actuarial loss	06/01/2012	104	9	808
Assumption change	06/01/2012	95,538	9	738,774
Assumption change	06/01/2013	7,336	10	61,883
Assumption change	06/01/2014	108,085	11	984,751

EXHIBIT 7 - FUNDING STANDARD ACCOUNT (*CONTINUED)*

Schedule of FSA Bases (Charges) (Schedule MB, Line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Assumption change	06/01/2015	321,286	12	3,135,909
Assumption change	06/01/2017	229,759	14	2,524,054
Total		**$2,393,004**		**$14,967,683**

EXHIBIT 7 - FUNDING STANDARD ACCOUNT (*CONTINUED)*

Schedule of FSA Bases (Credits) (Schedule MB, Line 9h)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Assumption change	06/01/1989	$93,814	1	$93,814
Assumption change	06/01/1992	52,316	4	197,496
Plan amendment	06/01/1999	4,755	11	43,320
Assumption change	06/01/2000	12,147	12	118,556
Plan amendment	06/01/2004	742	16	8,997
Plan amendment	06/01/2008	224	5	1,036
Actuarial gain due to transfers	06/01/2008	866,674	5	4,012,610
Actuarial gain	06/01/2013	2,627	10	22,159
Actuarial gain	06/01/2014	90,711	11	826,463
Actuarial gain	06/01/2015	89,804	12	876,527
Actuarial gain	06/01/2016	37,172	13	386,033
Actuarial gain	06/01/2017	88,575	14	973,054
Actuarial gain	06/01/2018	7,307	15	84,490
Total		**$1,346,868**		**$7,644,555**

EXHIBIT 8 - STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS

(SCHEDULE MB, LINE 6)

Mortality Rates

Non-annuitant: 108% of the RP-2014 Employee Mortality Table with generational projection from 2014 using Scale MP-2014

Healthy Annuitant: 108% of the RP-2014 Healthy Annuitant Mortality Table with generational projection from 2014 using Scale MP-2014

Disabled Annuitant: 150% of the RP-2014 Healthy Annuitant Mortality Table with generational projection from 2014 using Scale MP-2014

The underlying tables with the generational projection to the ages of participants as of the measurement date reasonably reflect the mortality experience of the Plan as of the measurement date. These mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

The mortality rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of deaths and the projected number based on the prior years' assumption over the past several years.

Termination Rates before Retirement

	Rate (%)	
	Mortality[1]	
Age	Male	Female
20	0.04	0.02
25	0.05	0.02
30	0.05	0.02
35	0.06	0.03
40	0.07	0.04
45	0.11	0.07
50	0.18	0.12
55	0.30	0.18
60	0.51	0.26

[1] Mortality rates shown are for the 2014 base table and do not reflect any mortality projection.

Retirement Age for Active Participants	Normal retirement age The retirement age was based on historical and current demographic data and estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent several years.
Description of Weighted Average Retirement Age	Age 65, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the June 1, 2018 actuarial valuation.
Retirement Age for Inactive Vested Participants	Earliest retirement age The retirement age for inactive vested participants was based on historical and current demographic data and estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent several years.
Future Benefit Accruals	One pension credit per year.
Unknown Data for Participants	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.
Definition of Active Participants	Active participants are defined as those who are actively employed as of the end of the year.
Exclusion of Inactive Vesteds	Inactive participants over age 70 excluded from the valuation. However, for cost purposes, 5% of their liability is included. The exclusion of inactive vested participants over age 70 was based on historical and current demographic data and estimated future experience and professional judgment. As part of the analysis, the ages of new retirees from inactive vested status were reviewed.
Percent Married	50%
Age of Spouse	Females three years younger than males, if actual age is unknown.
Benefit Election	70% of all participants are assumed to elect the single life annuity with 60 months of payments guaranteed, and 30% are assumed to elect the 50% participant and spouse pension. The benefit elections were based on historical and current demographic data and estimated future experience and professional judgment. As part of the analysis, a comparison was made between the assumed and the actual option election patterns over the most recent several years.

Delayed Retirement Factors	Active participants assumed to work enough hours each month to not qualify for delayed retirement adjustment. Inactive vested participants who are assumed to commence receipt of benefits after attaining normal retirement age qualify for delayed retirement increases.
Net Investment Return	4.00% The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Advisors as well as the Plan's target asset allocation.
Annual Administrative Expenses	$425,000, payable monthly, for the year beginning June 1, 2018 (equivalent to $416,093 payable at the beginning of the year) The annual administrative expenses were based on historical and current data, adjusted to reflect estimated future experience and professional judgment.
Actuarial Value of Assets	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period. The actuarial value is further adjusted, if necessary, to be within 20% of the market value.
Actuarial Cost Method	Entry Age Normal Actuarial Cost Method. Entry Age is the age at date of employment, or if date is unknown, current age minus pension credits. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by service with Normal Cost determined as if the current benefit accrual rate had always been in effect.
Benefits Valued	Unless otherwise indicated, includes all benefits summarized in *Exhibit 9*.
Current Liability Assumptions	*Interest:* 3.00%, within the permissible range prescribed under IRC Section 431(c)(6)(E) *Mortality:* Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1(a)(2): RP-2014 employee and annuitant mortality tables, adjusted backward to the base year (2006) using scale MP-2014, projected forward generationally using scale MP-2016.
Estimated Rate of Investment Return	*On actuarial value of assets (Schedule MB, line 6g):* 5.6%, for the Plan Year ending May 31, 2018 *On current (market) value of assets (Schedule MB, line 6h):* 3.7%, for the Plan Year ending May 31, 2018
FSA Contribution Timing (Schedule MB, line 3a)	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the FSA is therefore assumed to be equivalent to a December 15 contribution date.

Justification for Change in Actuarial Assumptions (Schedule MB, line 11)	For purposes of determining current liability, the current liability interest rate was changed from 3.05% to 3.00% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 413(c)(6)(E) and the mortality tables were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1.

EXHIBIT 9 - SUMMARY OF PLAN PROVISIONS

(SCHEDULE MB, LINE 6)

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year	June 1 through May 31
Pension Credit Year	June 1 through May 31
Plan Status	Ongoing plan
Regular Pension	• *Age Requirement:* 65 • *Service Requirement:* 10 pension credits • *Amount:* $7.50 for each pension credit earned, up to a maximum of 20 pension credits
Early Retirement	• *Age Requirement:* 62 • *Service Requirement:* 10 pension credits • *Amount:* Regular pension accrued, reduced by one half of one percent for each month of age less than 65
Disability	• *Age Requirement:* Age 40 with 15 pension credits, or age 45 with 10 pension credits • *Amount:* Regular pension accrued
Deferred	• *Age Requirement:* None • *Service Requirement:* 5 years of vesting service • *Amount:* Regular or early pension accrued, based on plan in effect when last active • *Normal Retirement Age:* 65, or if later, the age of the Participant on the fifth anniversary of participation
Spouse's Pre-Retirement Death Benefit	• *Age Requirement:* None • Service Requirement: 5 years of vesting service • *Amount:* 50% of the benefit employee would have received had he or she retired the day before he or she died and elected the participant-and-spouse option. If the employee died prior to eligibility for an early retirement pension, the spouse's benefit is deferred to the date employee would have reached age requirement for a pension had the employee lived. • *Charge for coverage:* None

Post-Retirement Death Benefit	If married, pension benefits are paid in the form of a participant-and-spouse pension, unless this form is rejected by the participant and spouse. If not rejected, the benefit amount otherwise payable is reduced to reflect the participant-and-spouse coverage. If rejected, or if not married, benefits are payable for the life of the employee with 60 months of payments guaranteed without reduction, or in any other available optional form elected by the employee in an actuarially equivalent amount.
Forms of Benefits	• 50% Participant-and-Spouse Pension • Single Life Annuity with 60 months of payment guaranteed • 75% Participant-and-Spouse Pension
Participation	Earliest November 30 or May 31 following completion of a 12 consecutive month period during which he or she completed at least five months of service in Covered Employment.
Pension Credit	1/12 of a pension credit for each month of service in Covered Employment during a Plan Credit year.
Vesting Service	One year of vesting service for each Plan Credit year during the Contribution Period in which the employee completed at least five months of service in Covered Employment.
Contribution Rate	$97 per month
Changes in Plan Provisions	None

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