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

Held by videoconference on March 24, 2021

Trustees Present:
John Boardman
Solomon Keene

Others Present:

Anne Mayerson, Bredhoff & Kaiser, PLLC, Fund Co-Counsel
Fred Singerman, Seyfarth Shaw LLP, Fund Co-Counsel
Anne-Marie Sims, Associated Administrators, LLC
Bill Stahl, Prudential Retirement
Casey Golosky, Prudential Retirement
Henry Jaung, Meketa Investment Group

I. Call to Order

The meeting was called to order at 12:15 p.m.

II. Approval of Minutes of Prior Meeting

The Trustees reviewed the minutes of the Board of Trustees meeting of December 17, 2020 and approved them with no changes.

III. Prudential

Bill Stahl reviewed with the Trustees the Plan Summary as of December 31, 2020, including Plan demographics, distributions, and investment option statistics. Total balances as of December 31 were $44.2 million, down only about $1.6 million from the end of 2019 despite almost an almost fourfold increase in distributions ($8.3 million vs. $2.2 million for 2019). Participants with a balance at the end of 2020 totaled 1,219, down 51 from the prior year.

Mr. Stahl reminded the Trustees that educational sessions have been paused. The Trustees requested that this be re-visited at the end of the summer.

Mr. Stahl reported that Prudential has received email addresses for 510 of participants with an account balance, 313 of whom have agreed to receive communication from Prudential electronically.

Mr. Stahl reviewed with the Trustees his report on the most recent contributions received from each employer as of March 7, 2021. The Trustees asked Prudential to remove WA

Grande, Sheraton Premier and Sheraton Tyson from the report because these locations are no longer operating.

Mr. Stahl reported on late contributions for the fourth quarter 2020. Ms. Sims noted that employers have been invoiced in accordance with the delinquency policy.

IV. Co-Counsel Report

Mr. Singerman reported that the Department of Labor has asked for documentation that lost earnings received in 2019 were forwarded to Prudential and allocated to participants' accounts. Mr. Stahl said Prudential would provide this documentation to Mr. Singerman.

Following up on the discussion from the last meeting, Ms. Mayerson confirmed that the special coronavirus-related distributions authorized by the CARES Act were not extended, and therefore no such distributions may be taken after 2020.

Ms. Mayerson reported on the status of Gaylord's failure to implement salary reduction contributions for 33 employees for whom Prudential received election forms (in November 2019 for most of the employees). She reported that Marriott's internal counsel provided a spreadsheet earlier in the month purporting to show, for each Gaylord employee who had made an election to participate in the Plan but for whom it had failed to deduct and pay to the Plan the salary reduction contributions elected by the employee, the dollar amount of the missed contributions, by payroll period. Upon review of the spreadsheet, Prudential advised that it did not have enrollment forms for 27 of the individuals on the spreadsheet, and that two individuals for whom it has enrollment forms are not listed on the spreadsheet. Marriott is still reviewing this issue.

Ms. Mayerson explained that the IRS permits this type of error to be corrected if the employer pays 25% of the contributions that the employee elected as a salary reduction contribution, plus earnings. In addition, the employer is required to provide a notice to affected employees describing the error and the correction. The Trustees agreed to accept 25% of contributions as an appropriate correction, with interest to be determined based on the "account reconstruction" method that is Prudential's default method, under which interest is determined based on the returns of the investment(s) selected by each participant on his or her election form.

Mr. Singerman did not participate in the discussion of the Gaylord because his firm represents Marriott.

V. Administrative Manager's Report

Ms. Sims presented the Administrative Manager's Report for the fourth quarter 2020. She reported on the status of lost earnings invoiced for 2020.

With respect to the 2020 administrative assessments, one assessment (Eaton Hotel) remains outstanding from the January 2020 assessment, and two assessments (Madison and Sheraton Premier at Tysons Corner) remain outstanding from the July 2020 assessment. The Trustees agreed to write off the $528.70 due from the Sheraton Premier, which is no longer operating.

Ms. Sims noted that Novak Francella had proposed an engagement letter for the 2020 audits with no proposed fee increase. Counsel has reviewed the engagement letter. The Trustees approved the engagement letter.

VI. Investment Consultant's Report

Henry Jaung provided the Investment Review for the fourth quarter of 2020. All investment options posted positive returns during the fourth quarter. The value of the Plan increased by $1.7 million during the fourth quarter of 2020, ending at $44.3 million on December 31, 2020.

Mr. Jaung reported that investment fund fees remain low, overall, relative to their respective peer groups.

Mr. Jaung reviewed the investment performance of the Plan's investment offerings. All asset classes outperformed the benchmark, except for REITs, emerging equities and International Developed Equity (DFA), which underperformed the benchmark by 1050 basis points over the trailing one-year period. DFA outperformed both its benchmark and its peer group over the trailing quarter. Meketa does not recommend replacing the fund because its underperformance was driven by a deep value bias and is consistent with what would be expected in a market that has heavily favored growth. Mr. Jaung stated that no fund changes are warranted at this time.

VII. Next Meeting Date and Adjournment

The next meeting was scheduled to immediately follow the meetings of the related funds on June 9, 2021. There being no further business before the Board of Trustees, the meeting was adjourned at 1:15 p.m.

Approved by the Board of Trustees on ________________________, 2021

By: ________________________
Anne-Marie Sims