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HOSPITALITY INDUSTRY 401(K) PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2020

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HOSPITALITY INDUSTRY 401(K) PLAN

FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION

DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Hospitality Industry 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Hospitality Industry 401(k) Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Prudential Retirement Insurance and Annuity Company and Principal Life Insurance Company, the custodians of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan administrator that the custodians hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained a certification from the custodians as of and for the years ended December 31, 2020 and 2019, that the information provided to the Plan administrator by the custodians is complete and accurate.

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Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental Schedules of Assets Held at End of Year and of Delinquent Participant Contributions as of or for the year ended December 31, 2020, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules referred to above.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the custodians, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Columbia, Maryland
___, 2021

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Hospitality Industry 401(k) Plan

Statements of Net Assets Available for Benefits

December 31, 2020 and 2019

	2020	2019
Assets		
Investments - at fair value		
Registered investment companies	$ 36,028,695	$ 39,765,921
Short-term investments	125,132	116,295
	36,153,827	39,882,216
Investments - at contract value		
Guaranteed investment contract	8,237,840	6,081,366
Receivables		
Contributions	8,695	44,598
Employer administrative assessments	8,813	9,610
Employer late contribution fee and interest assessments	8,450	8,450
	25,958	62,658
Prepaid expenses	78	10,642
Total assets	44,417,703	46,036,882
Liabilities and Net Assets		
Liabilities		
Accounts payable	54,966	75,977
Total liabilities	54,966	75,977
Net assets available for benefits	$ 44,362,737	$ 45,960,905

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Hospitality Industry 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2020 and 2019

	2020	2019
Additions		
Investment income		
Net appreciation in fair value of investments	$ 4,818,380	$ 6,588,985
Interest and dividends	721,404	926,638
	5,539,784	7,515,623
Contributions		
Participant elective deferrals	1,256,951	4,337,381
Participant rollovers	69,746	14,494
	1,326,697	4,351,875
Other employer contributions		
Administrative assessments	83,472	100,004
Interest assessments	-	2,939
Late contribution fee	7,051	4,980
	90,523	107,923
Total additions	6,957,004	11,975,421
Deductions		
Benefits paid	8,302,695	2,225,761
Administrative expenses		
Audit	12,600	11,050
Bank service fees	375	500
Consultant	5,000	5,000
Contract administrator fees	246,866	254,582
Insurance and bonding	12,692	10,606
Legal fees	63,585	68,868
Meeting and office expense	17	22
Payroll audit	-	-
Penalty write off	-	3,878
Plan expense reimbursement	(89,268)	(84,498)
Postage and printing	609	28,345
	252,476	298,353
Total deductions	8,555,171	2,524,114
Net increase	(1,598,167)	9,451,307
Net assets available for benefits		
Beginning of year	45,960,905	36,509,598
End of year	$ 44,362,738	$ 45,960,905

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HOSPITALITY INDUSTRY 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1. DESCRIPTION OF THE PLAN

The following description of the Hospitality Industry 401(k) Plan (the Plan), provides only general information. Participants should refer to the summary plan description and Plan regulations for a more comprehensive description of the Plan's provisions.

General - The Plan is a defined contribution pension plan covering hotel and restaurant employees, established under the provisions of an agreement and declaration of trust dated November 1, 1999. Covered employees are employed by a participating employer or participating union that is a signatory to a collective bargaining agreement that includes provisions for Plan participation. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Participant Elective Contributions - Participant elective contributions represent amounts paid by an employer, at the election of the employee, in lieu of cash compensation and include contributions that are made pursuant to a salary reduction agreement.

Benefits - The purpose of the Plan is to provide retirement benefits to employees whose employers make contributions to the Plan through a salary reduction agreement. The Plan was adopted to provide an opportunity for participating employees to benefit from tax-deferred savings in accordance with Section 401(k) of the Internal Revenue Code, in addition to any benefits otherwise provided by the Plan.

Participant Accounts - Each participant's account is credited with the participant's contribution and plan earnings and charged with an administrative fee. The benefit to which a participant is entitled is the benefit that can be provided from the participants vested account.

Vesting - Each participant is immediately 100% vested.

Payments of Benefits - Upon termination of service due to death, disability, or separation from service as a participating employer or union, a participant may choose from a variety of distribution options. The amount of benefits in this Plan depends on the amount in each participant's account and the extent to which the participant is vested in that amount.

Late Contribution Fee Receivable and Interest Assessments Receivable - Amounts due and not paid prior to year-end are recorded as receivables. Allowance for uncollectible accounts is considered unnecessary and is not provided.

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NOTE 1. DESCRIPTION OF THE PLAN (continued)

Investments - The Plan has an investment contract with Prudential Retirement Insurance and Annuity Company (Prudential). Prudential maintains the contributions in registered investment companies and guaranteed investment contract.

Contributions may be invested in any one or a combination of the funds listed below during the years ending December 31, 2020 and 2019. Participants may transfer existing account balances to or from any of the available funds on any business day.

American Funds Europacific Growth R6
Artisan Mid Cap Instl
Baird Core PL Bond
Col High Yield Bond Instl 3
DFA Int'l Small Cap Value Portfolio I
Goldman Sachs Small Cap Value R6
Principal Small Cap Growth I R6
Prudential Retirement Insurance and Annuity Company
Touchstone Sands SEL Growth IST
Vanguard Emerging Mkt Indx ADM
Vanguard Equity-Income ADM
Vanguard 500 IDX Admiral
Vanguard Inflation Protected Sec
Vanguard Mid Cap Index Fund
Vanguard RE IDX Admiral
Vanguard Target Retirement 2015
Vanguard Target Retirement 2020
Vanguard Target Retirement 2025
Vanguard Target Retirement 2030
Vanguard Target Retirement 2035
Vanguard Target Retirement 2040
Vanguard Target Retirement 2045
Vanguard Target Retirement 2050
Vanguard Target Retirement 2055 I
Vanguard Target Retirement 2065 INV
Vanguard Target Retirement Income
Vanguard Total Bond Index
Vanguard Total STK Admiral
Victory SYCA ESTB Val R6

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Plan have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Valuation of Investments and Recognition of Income - Investments are stated at fair value (except for the fully benefit-responsive investment contract, which is reported at contract value). The fair value of investments is determined by the Plan's investment custodian and is based on quoted market prices when available. The registered investment companies are valued at their market value on the last business day of the year. Short-term investments consist of money market accounts, and are carried at cost, which approximates fair value.

Registered investment companies: Valued at the net asset value of shares held by the Plan at year end.

Purchases and sales of securities are recorded on a trade-date basis. Interest and dividend income are recorded on the accrual basis. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Contributions to the Plan - Participants contribute to their savings accounts via payroll deduction. All amounts withheld as of year-end but not yet transferred to the Plan at that date are recorded as a receivable. Participants' rollover contributions are recorded when received.

Payment of Benefits - Benefits are recognized upon distribution.

Use of Estimates - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 3. PRIORITIES UPON TERMINATION

It is the expressed intention and expectation of the Trustees that it will continue the Plan in full force and effect. However, in the unlikely event of termination, the interests of participants under the Plan shall be non-forfeitable to the extent funded. Termination shall not permit any part of the Plan to be used for or diverted to purposes other than the exclusive benefit of the beneficiaries and participants. In the event the Plan terminates, the net assets of the Plan will be allocated as prescribed by ERISA and its related regulations.

NOTE 4. INVESTMENTS

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's independent auditors not to perform any auditing procedures except on short-term investments with respect to the information in Note 5 certified by Prudential and Principal, the custodians of the Plan, except for comparing such information certified by the custodians to information included in the Plan's financial statements and supplemental schedule.

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NOTE 5. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Basis of Fair Value Measurement:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. For the years ended December 31, 2020 and 2019, there were no transfers in or out of level 1, 2, or 3.

There were no changes in valuation methodologies at December 31, 2020 and 2019.

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NOTE 5. FAIR VALUE MEASUREMENTS (continued)

	Fair Value Measurements at December 31, 2020			
	Total	Level 1	Level 2	Level 3
Registered investment companies	$ 36,028,695	$ 36,028,695	$ -	$ -
Short-term investments	125,132	-	125,132	-
Total investments in fair value hierarchy	$ 36,153,827	$ 36,028,695	$ 125,132	$ -

	Fair Value Measurements at December 31, 2019			
	Total	Level 1	Level 2	Level 3
Registered investment companies	$ 39,765,921	$ 39,765,921	$ -	$ -
Short-term investments	116,295	-	116,295	-
Total investments in fair value hierarchy	$ 39,882,216	$ 39,765,921	$ 116,295	$ -

NOTE 6. INVESTMENT CONTRACT WITH INSURANCE COMPANY

In 2018, the Plan entered into a fully benefit-responsive guaranteed investment contract with Prudential. The value of the investment contract at December 31, 2020 and 2019 was $8,237,840 and $6,081,366, respectively. Prudential maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by the contract issuer but may not be greater than or equal to one- and one-half percent (1-1/2%). The crediting rate is reviewed on a semi-annually basis for resetting.

The investment contract provides that withdrawals for benefit payments at death, retirement, disability, termination of employment, and for loans, hardship withdrawals or in-service withdrawals as permitted by the plan at contract value. Transfers to other funds are also made at contract value. At contract termination, a plan may elect to receive either an immediate lump-sum distribution subject to a market value adjustment or receive a contract value distribution in 6 annual installments over a period of 5 years. Certain distributions, distributions resulting from employer-initiated events such as plan termination, merger, spin-off, lay-off, early retirement incentives, etc., may be subject to a market value adjustment. An event that limits the plan's ability to transact at contract value with participants in the plan must be probable of not occurring for the contract to be considered benefit responsive. The plan sponsor is responsible for making this determination. Participant-initiated transactions are permitted on a daily basis. Transfers to competing funds must first go through a non-competing investment option for at least 90 days.

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NOTE 7. TAX STATUS

The Plan obtained its latest determination letter on December 11, 2012, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, Plan management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that, more likely than not, would not be sustained upon examination by the U.S. Federal, state, or local taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Typically, plan tax years will remain open for three years; however, this may differ depending upon the circumstances of the Plan.

NOTE 8. RELATED PARTY TRANSACTIONS AND PARTY-IN-INTEREST TRANSACTIONS

The Plan is related through common Board of Trustee members to the UNITE HERE Local 25 and Hotel Association of Washington, D.C. Health and Welfare Fund (Health Plan), UNITE HERE Local 25 and Hotel Association of Washington, D.C. Group Legal Services Fund (Legal Plan) and the Hotel and Restaurant Employees Local 25 and Hotel Association of Washington, D.C. Pension Plan (Pension Plan).

Certain plan investments are registered investment companies and guaranteed investment contract managed by Prudential. Prudential is the Custodian, as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions. These transactions have been denoted as such on the supplemental schedule of assets held at end of year. During the years ended December 31, 2020 and 2019, the Plan paid administrative fees of $85,252 and $80,954 to Prudential, respectively. As of December 31, 2020 and 2019, the Plan owed $0 and $22,923 to Prudential, respectively.

The transactions above qualify as party-in-interest transactions which are exempt from the prohibited transaction rules of ERISA.

Administrative assessments

Employers are responsible for costs associated with the administration of the Plan up to a maximum of one cent ($.01) per hour for each hour worked by employees covered by the collective bargaining agreement. The administrative assessments paid into the Plan by employers for the plan years ending December 31, 2020 and 2019 totaled $83,472 and $100,004, respectively. As of December 31, 2020 and 2019, the employers owed $8,813 and $9,610 to the Plan, respectively.

The administrative assessments are accounted for as exchange transactions. The assessments are due on a monthly basis. It is the policy of the Trustees to pursue monies due.

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NOTE 8. RELATED PARTY TRANSACTIONS AND PARTY-IN-INTEREST TRANSACTIONS (continued)

Interest assessments

Employers are responsible for remitting interest assessments, or lost earnings associated with the delinquent participant contributions to make the Plan whole. The interest assessment for the Plan years ending December 31, 2020 and 2019 totaled $___ and $1,601, respectively. As of December 31, 2020 and 2019, the employers owed $___ and $1,121 to the Plan, respectively.

Late contribution fee

Employers are assessed a late contribution fee by the Board of Trustees for not remitting the participant contributions to the Plan in a timely manner. The late contribution fee pertains to delinquent contributions identified from the 2009 through 2011 Plan years. The late contribution fee for the Plan years ending December 31, 2020 and 2019 totaled $7,051 and $4,980, respectively. As of December 31, 2020 and 2019, the employers owed $___ and $7,329 to the Plan, respectively.

NOTE 9. RISKS AND UNCERTAINTIES

The Plan invests in various investments. Investments are exposed to various risks such as economic, interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

NOTE 10. TIMELY REMITTANCE OF PARTICIPANT CONTRIBUTIONS

During 2020 and 2019, the participating employers in the Plan failed to deposit approximately $____ and $715,161, respectively, of participant deferrals within the required time frame as stated by the United States Department of Labor (DOL). The DOL considers late deposits to be prohibited transactions. The participating employers whose late contributions have generated lost earnings in excess of $40 have been provided notification with regard to filing Form 5330 and paying applicable excise taxes. The excise tax payments will be made from the employer's assets and not from assets of the Plan.

During 2020 and 2019, corrections were made by participating employers related to 2020, 2019, 2018, 2017, and 2016, delinquent contributions of $____ and $798,929, respectively.

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NOTE 11. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through ___, 2021, the date the financial statements were available to be issued, and they have been evaluated in accordance with relevant accounting standards.

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SUPPLEMENTAL INFORMATION

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HOSPITALITY INDUSTRY 401(K) PLAN

SCHEDULE OF ASSETS HELD AT END OF YEAR

DECEMBER 31, 2020

Form 5500, Schedule H, Line 4i

EIN: 52-2231158
Plan No: 001

(a)	(b)	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value				(d)	(e)
	Issuer, Borrower	Type	Shares/ Principal	Interest Rate	Maturity Date	Cost	Current Value
		Guaranteed investment contract:					
* *	Prudential Retirement Insurance and Annuity Company		307,645	N/A	N/A	*	$ 8,237,840
		Registered investment companies:					
	American Funds Europacific Growth R6	Reg. Inv. Co.	4,508	N/A	N/A	*	312,416
	Artisan Mid Cap Instl	Reg. Inv. Co.	60,779	N/A	N/A	*	3,377,469
	Baird Core PL Bond	Reg. Inv. Co.	168,546	N/A	N/A	*	2,046,150
	Col High Yield Bond Instl 3	Reg. Inv. Co.	72,426	N/A	N/A	*	872,006
	DFA Int'l Sml Cap Value Portfolio I	Reg. Inv. Co.	57,921	N/A	N/A	*	1,108,029
	Goldman Small Cap Val R6	Reg. Inv. Co.	2,473	N/A	N/A	*	137,361
	Principal Small Cap Growth I R6	Reg. Inv. Co.	32,520	N/A	N/A	*	596,750
	Touchstone Sands SEL Growth Ist	Reg. Inv. Co.	210,741	N/A	N/A	*	4,292,789
	Vanguard Small Cap Index Admiral Fund	Reg. Inv. Co.	17,322	N/A	N/A	*	1,614,756
	Vanguard Inflation Protected Sec	Reg. Inv. Co.	3,548	N/A	N/A	*	100,489
	Vanguard 500 IDX Admiral	Reg. Inv. Co.	12,927	N/A	N/A	*	4,479,974
	Vanguard Emerging Mkt Indx ADM	Reg. Inv. Co.	2,564	N/A	N/A	*	106,886
	Vanguard Equity Income ADM	Reg. Inv. Co.	4,587	N/A	N/A	*	363,889
	Vanguard Mid Cap Index Fund	Reg. Inv. Co.	4,305	N/A	N/A	*	1,103,693
	Vanguard RE IDX Admiral	Reg. Inv. Co.	3,631	N/A	N/A	*	437,115
	Vanguard Target 2060 INV	Reg. Inv. Co.	5,821	N/A	N/A	*	253,743
	Vanguard Target Retirement 2015	Reg. Inv. Co.	360	N/A	N/A	*	5,661
	Vanguard Target Retirement 2020	Reg. Inv. Co.	123,571	N/A	N/A	*	4,237,261
	Vanguard Target Retirement 2025	Reg. Inv. Co.	9,148	N/A	N/A	*	197,057
	Vanguard Target Retirement 2030	Reg. Inv. Co.	121,300	N/A	N/A	*	4,918,716
	Vanguard Target Retirement 2035	Reg. Inv. Co.	2,656	N/A	N/A	*	66,981
	Vanguard Target Retirement 2040	Reg. Inv. Co.	50,801	N/A	N/A	*	2,248,952
	Vanguard Target Retirement 2045	Reg. Inv. Co.	705	N/A	N/A	*	19,880
	Vanguard Target Retirement 2050	Reg. Inv. Co.	13,448	N/A	N/A	*	611,233
	Vanguard Target Retirement 2055 I	Reg. Inv. Co.	410	N/A	N/A	*	20,231
	Vanguard Target Retirement 2065 INV	Reg. Inv. Co.	58	N/A	N/A	*	1,602
	Vanguard Target Retirement Income	Reg. Inv. Co.	117,911	N/A	N/A	*	1,760,403
	Vanguard Total Bond Index	Reg. Inv. Co.	43,481	N/A	N/A	*	505,255
	Vanguard Total STK Admiral	Reg. Inv. Co.	184	N/A	N/A	*	5,980
	Victory SYCA ESTB Val R6	Reg. Inv. Co.	5,522	N/A	N/A	*	225,968
		Total registered investment companies				*	$ 36,028,695
		Short-term investment fund:					
	Federated Government OBL - SEL	Money Market	125,132	0.01 %	N/A	125,132	125,132
		Total investments					$ 44,391,667

* Cost information is not required for participant-directed investments.
* * A party-in-interest as defined by ERISA.