

**Heating, Piping and Refrigeration
Medical, Pension and Training Funds
Steamfitters Local Union 602 Retirement Savings Plan**
9411 PHILADELPHIA ROAD, SUITE S BALTIMORE, MARYLAND 21237
Telephone Numbers: (800) 618-2879 (410) 444-3756 Fax (410) 444-0035

December 17, 2010

**The Heating, Piping and Refrigeration Pension Fund - Notice of Plan Funding Status
For September 1, 2010 through August 31, 2011 Plan Year**

To: All Participants, Beneficiaries, Contributing Employers and Participating Unions

The Pension Protection Act of 2006 (PPA'06) requires that the Plan's actuary annually determine the Plan's financial status under specific rules. This Notice is to inform you that on November 29, 2010, the Plan's actuary certified to the U.S. Department of the Treasury, and to the Trustees, that the Plan is in seriously endangered status for the Plan Year beginning September 1, 2010. **Federal law requires that you receive this Notice.**

Seriously Endangered Status

The Plan is considered to be in seriously endangered status because the Plan's actuary determined that, based on the PPA'06 funding rules, the Plan is currently less than 80% funded and the Plan is projected to have an accumulated funding deficiency for the Plan Year ending August 31, 2015.

Funding Improvement Plan

Federal law requires pension plans in seriously endangered status to adopt a funding improvement plan ("FIP") aimed at restoring the financial health of the plan. More specifically, the FIP requires that the funded percentage improve and an accumulated funding deficiency is avoided during the funding improvement period. As you know, the Trustees of your Plan have already taken action towards improving the Plan's funded position by reducing the amount of the future benefit earned for a full pension credit to \$100 per pension credit earned on and after September 1, 2009 and by changing the number of hours required to earn a full pension credit to 1800 hours, also effective for hours worked on and after September 1, 2009.

PPA'06 requires that our Plan's funding status be reviewed and certified annually and notices like this one, explaining the outcome, will be sent each year until our plan is no longer in a zone status under PPA'06. While the Board does not expect that further benefit reductions will be needed to meet the requirements of the FIP, the Plan is influenced by economic and financial variables beyond the Trustees' control (such as market volatility, economic changes affecting participation and other factors, like the outcome of collective bargaining.) Unexpected developments can affect the Plan's funding status and the need for any future corrective actions. If the Trustees of the Plan

determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions.

What Lies Ahead and Where to Get More Information

We understand that legally required notices like this one can create concern about the Plan's future. The Board of Trustees remains confident that the Fund will continue to provide our participants and their families with secure retirement benefits.

For more information about this Notice or a copy of the FIP when it has been finalized, which will be no later than by July 27, 2011, you may contact the Fund Administrator at the telephone numbers above or by writing to:

Board of Trustees, Heating, Piping and Refrigeration Pension Fund
c/o Benefits Administration Corporation, Inc.
9411 Philadelphia Road, Suite S
Baltimore, MD 21237

Sincerely,

Board of Trustees

As required by law, this Notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the U.S. Department of Labor (DOL).