

**Notice of Endangered Status  
For  
Pension Trust Fund for Operating Engineers Pension Plan**

To: Participants, beneficiaries, and bargaining parties participating in the Pension Trust Fund for Operating Engineers

From: Board of Trustees

Date: April 26, 2010

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This communication is to inform you that on March 31, 2010 our plan's actuary officially certified to the Internal Revenue Service and the Board of Trustees that our plan is in "seriously endangered status" (as defined by the IRS), also known as the "orange zone," for the plan year beginning January 1, 2010. Federal law requires that you receive this notice. This notice is also being sent to the Department of Labor and the Pension Benefit Guaranty Corporation.

The Plan is considered to be in seriously endangered status because the Plan's funded percentage for the plan year is less than 80% and the Plan is expected to have a funding deficiency (as defined by federal law) within seven years. For the plan year beginning January 1, 2010, the Plan's funded percentage is 71.62%. The Plan's funded percentage is determined by dividing the actuarial value of the Plan's assets by the Plan's liability for accrued benefits. The reasons that the Plan's funded percentage is less than 80% and that the Plan is expected to have a funding deficiency within seven years are the loss in the Plan's assets value and the decline in covered work levels caused by the economic crisis that began in 2008. This crisis has had a significant impact on virtually all U.S. pension plans.

**Funding Improvement Plan**

Federal law requires pension plans in endangered (or severely endangered) status to adopt a "funding improvement plan" aimed at restoring the financial health of the plan. The Plan adopted its funding improvement plan on August 25, 2008. Based on the election under the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA) Section 204, the Plan was not required to update its funding improvement plan during the 2009 plan year. The Plan is required to update the funding improvement plan during 2010. You will be notified of the principal features of the updated funding improvement plan (once adopted by the Trustees) and you have a right to obtain a copy of the formally updated funding improvement plan.

The Trustees want to assure you that we are committed to taking the appropriate steps to ensure the security of your pension.

**Where to Get More Information**

For more information about this Notice, you may contact the plan's Administrative office: 1640 South Loop Road, Alameda, CA 94502, (800) 251-5014.