

Hotel Employees Restaurant Employees Trust Funds

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Administered by
Welfare & Pension Administration Service, Inc.

September 25, 2009

**To: Participants, Beneficiaries, Retirees, Participating Employers, Local Unions,
Pension Benefit Guaranty Corporation and Secretary of Labor**

From: The Trustees of Hotel Employees Restaurant Employees Pension Plan

Re: Notice of Special Trustee Action

This Notice includes important information about the Hotel Employees Restaurant Employees Pension Plan (the "Plan"), Plan No. 001, Plan and Plan Sponsor EIN 91-6145131. This Notice relates to the plan year beginning June 1, 2009 and ending May 31, 2010 (the "2009 Plan Year"). Under the Pension Protection Act of 2006 ("PPA"), the Plan's actuary annually certifies the Plan's funding status. The PPA created "zones" based on a multiemployer pension plan's funding status. Based on a pension plan's funding status, it may be in critical status ("red" zone), in seriously endangered status ("orange" zone) or endangered status ("yellow" zone) or outside of these categories ("green" zone).

Special Action

Pursuant to the Worker, Retiree and Employer Recovery Act of 2008 ("WRERA"), the Plan's Trustees took action to retain the Plan's funding status for the plan year beginning June 1, 2008 and ending May 31, 2009 (the "2008 Plan Year") as its funding status for the 2009 Plan Year. For the 2008 Plan Year, the Plan was certified as being in the "green" zone. Therefore, for the 2009 Plan Year, the Plan will be treated as though it is in the "green" zone and will not be subject to the funding improvement requirements discussed below for the 2009 Plan Year. Without this special action, the Plan would be in endangered/"yellow" status for the 2009 Plan Year.

After careful consideration, the Plan's trustees determined that it is in the best interest of the Plan's Participants to take this special action at this time. In making this decision, the Plan's Trustees extensively reviewed with the Plan's professional advisors the funding requirements under Federal law, including the effect of taking the special action and the effect of not making the election.

This alternative is available only for the 2009 Plan Year. Notice will be provided in 2010 if the Plan is certified to be in critical /"red", seriously endangered/"orange" or endangered/"yellow" status for the plan year beginning June 1, 2010 and ending May 31, 2011 (the "2010 Plan Year").

EBRA/PUBLIC DISCLOSURE
2009 OCT -6 AM 9:44

Funding Improvement Requirements

If the Plan is certified to be in anything other than the “green” zone for the 2010 Plan Year, the law requires that the Trustees notify you of the Plan’s status for that Plan Year and that steps be taken to improve the Plan’s funding. Such steps may include increases in employer contributions and reductions in future benefit accruals.

Where to Get More Information

For more information about the special action described in this Notice, you may contact:

Hotel Employees Restaurant Employees Pension Plan
c/o Welfare and Pension Administration Service, Inc.

PO Box 34203
Seattle, WA 98124
(206) 441-7574

This notice is intended to meet the notification requirements of section 204(c)(2)(A) of WRETA and IRS Notice 2009-31.