

NOTICE OF ENDANGERED STATUS

For

U.A. Local 38 Defined Benefit Pension Plan

October 28, 2011

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

This is to inform you that on September 28, 2011 the Trust's actuary certified to the U.S. Department of the Treasury, and to the Board of Trustees, that the U.A. Local 38 Defined Benefit Pension Plan is in endangered status for the plan year beginning July 1, 2011.

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

Endangered Status

Under Federal law, the Trust continues to be in endangered status because the Trust's actuary has determined that the funded percentage of the Trust is less than 80%. The Plan first entered "endangered" status on July 1, 2008. "Endangered" is a funding status that the law designates, but in fact, the Plan is meeting its funding goals and is expected to continue doing so in the future.

Funding Improvement Plan

Federal law requires pension plans in endangered status to adopt a "Funding Improvement Plan" (FIP) aimed at restoring the financial health of the Trust. A FIP is an action plan designed to increase a plan's funded percentage and to assure that contributions will be enough to meet the Trust's future obligations.

~~Our actuary has informed the Board that the current schedule of negotiated contribution rates for U.A. Local 38 Pipe Trades Pension Trust Fund continues to satisfy the requirements of a FIP. The Board does not expect that any other changes in benefits or contributions will be needed to meet the PPA's requirements for a FIP while the current collective bargaining agreement is in effect.~~

Please note that the Federal law mandates that our Plan's funding status be reviewed and certified annually and, if applicable, notices like this one will be sent to you each year. In addition, the FIP will be reviewed and updated, as needed, each year. While our goal is to remain on track with the Plan's funding schedule noted above, there are several variables beyond our control that our advisors will monitor yearly, including investment market volatility, changes in employment levels, and/or changes in the number of contributing employers.

Where to Get More Information

In the event you have any questions or would like additional information about this notice, you may contact Peter Machi, Administrator, at U.A. Local 38 Pipe Trades Pension Trust Fund, 1625 Market Street, San Francisco, CA 94103-1217, or by phone at (415) 626-2000. You have a right to receive a copy of the Funding Improvement Plan from the Plan.

Sincerely,

The Board of Trustees

cc: U.S. Department of Labor
U.S. Pension Benefit Guaranty Corporation