

**NOTICE OF ENDANGERED STATUS
FOR
SAN MATEO HOTEL EMPLOYEES AND RESTAURANT EMPLOYEES
PENSION FUND**

The Pension Protection Act of 2006 (PPA) requires sponsors of multiemployer plans to inform participants and interested parties of certain events. This is to inform you that on March 28, 2013 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in Endangered Status (as defined by PPA) for the plan year beginning January 1, 2013. (The Plan's status was also Endangered in 2012. It was Seriously Endangered in 2010 and 2011.)

Endangered Status

The plan is considered to be in endangered status because its funding percentage (as defined by PPA) is below 80% as of January 1, 2013. The funded percentage as of January 1, 2013 was expected to be 77.9%. The plan is not expected to have a deficiency in the plan's Funding Standard Account within the next 7 years. Therefore, the status of the fund has remained unchanged at Endangered for 2013.

Funding Improvement Plan

Federal law requires pension plans in seriously endangered status to adopt a Funding Improvement Plan (FIP) aimed at increasing the funded percentage. The funding improvement plan must be designed so it is reasonable to expect that during a specified period the funded percentage will increase at least one fifth of the way from its initial value to 100% and that there will be no funding deficiency in the plan's Funding Standard Account.

The Trustees adopted a funding improvement plan in November 2010 in response to the Plan's then Seriously Endangered status for 2010. Under the FIP, all new bargaining agreements must adopt one of two schedules; one of the schedules requires a smaller increase in contribution rate and no increase in benefit accruals, while the other requires a larger contribution rate increase but does provide a higher rate of benefit accrual. The funding improvement plan sets a schedule of targets for funding percentage and credit balance in future years. The Trustees adopted an updated FIP in December 2012 to maintain expectations of reaching the scheduled targets after accounting for Plan experience since the adoption of the original plan in 2010. Similar updates will be required when needed in future years. The FIP will be considered to be terminated once the plan is no longer in endangered status, even before the end of the funding improvement period.

Where to Get More Information

For more information about this Notice, you may contact the administrative office at

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2013 APR 29 PM 4: 24