

NOTICE OF ENDANGERED STATUS
for the
ENGINEERS - A.G.C. RETIREMENT TRUST FUND OF THE INLAND EMPIRE
(Plan Year Beginning January 1, 2010)

April 23, 2010

TO: PARTICIPANTS OF THE ENGINEERS – A.G.C. PENSION PLAN OF THE INLAND EMPIRE

Starting with the 2008 Plan Year, the Pension Protection Act of 2006 (“PPA”) amended existing federal law to require that the actuary of a multiemployer pension plan certify the plan’s status under the PPA’s new funding rules. In addition, if the actuary determines that the plan’s status for the year is “endangered” or “critical,” the plan is required to provide a written notice of that status to plan participants, beneficiaries, and bargaining parties.

This is to inform you that on March 26, 2010 the plan actuary certified to the U.S. Department of the Treasury and to the Trustees that the Plan is in Endangered Status for the plan year beginning January 1, 2010.

Endangered Status

The Plan is considered to be in Endangered Status because, based on measures under law, the Plan is projected to have an “accumulated funding deficiency” within the next 7 years. This means that contributions into the Plan are not expected to meet government standards for full funding of benefits. That is, the Plan is not expected to return to 100% funded as quickly as required under federal law.

The Plan has an estimated \$153,400,000 in assets as of January 1, 2010, and is projected to have sufficient assets to pay full benefits for the foreseeable future.

Funding Improvement Plan

Federal law requires pension plans in Endangered Status to adopt a funding improvement plan aimed at restoring the financial health of the Plan. A funding improvement plan must meet certain benchmarks for improving the Plan’s financial condition over a period of years. The funding improvement plan for the Engineers – A.G.C. Pension Plan of the Inland Empire may include the actions already taken by the Trustees and bargaining parties over the last several years, such as increasing the level of contributions. Further contribution rates or changes to future benefit accruals may be necessary to meet the requirements of a funding improvement plan and return the Plan to full funding.

Future Experience and Possible Adjustments

The funding improvement plan is based on a number of assumptions about future experience and may need to be adjusted in the future if such assumptions are not met. Additional contribution rate increases and/or reductions in the rate at which benefits are earned may be needed if the Trust were to suffer asset returns below the expected 7.0% (in the 2010 plan year or later), a drop in the hours worked, or poor experience from other sources. If, at some point in time, the Trustees determine that further adjustments are necessary, you may receive a separate notice identifying and explaining the effect of those changes.

Commitment to Continued Improvement

The Trustees anticipate that the Plan will emerge from Endangered Status and continue to see long-term improvement in funded percentages. The Trustees maintain their commitment to providing a retirement benefit on which you can rely – one which will play a significant role in your overall retirement planning.

Where to Get More Information

For more information about this Notice, you may contact:

Engineers - A.G.C. Retirement Trust Fund of the Inland Empire
c/o Zenith Administrators, Inc
111 W. Cataldo, Suite 220
Spokane, WA 99201
(509) 534-5625

You have a right to receive a copy of the funding improvement plan for the Plan. It should be approved by the Trustees by November 2010.

Sincerely,
BOARD OF TRUSTEES