

NOTICE OF ENDANGERED STATUS

For

The Pension Plan for the Apartment Employees' Pension Trust

April 30, 2015

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

This is to inform you that on March 31, 2015 the Plan's actuary certified to the U.S. Department of the Treasury, and also to the Plan's sponsor, that the Plan is in endangered status for the Plan Year beginning January 1, 2015. Federal law requires that you receive this notice. The certification of Plan status and this notice are requirements provided for under the Pension Protection Act of 2006 (PPA) and Section 432 of the Internal Revenue Code for multiemployer plans for plan years beginning in 2008. This notice is intended to meet the disclosure requirements of that Act and to inform you of the status of this Plan.

If the actuary certifies that the Plan's status is endangered (yellow zone), seriously endangered (orange zone), critical (red zone), or critical and declining (deep red zone), the Board of Trustees must notify the Plan's participants and beneficiaries, the bargaining parties, the U.S. Department of Labor and the Pension Benefit Guaranty Corporation, in writing, of this certification and take action to improve the Plan's funding status.

Endangered Status

A Plan is considered to be in endangered status when its assets are less than 80% of its liabilities or the Plan is projected to have a funding deficiency within the next seven years. While the actuary for the Pension Plan for the Apartment Employees' Pension Trust has certified that the Plan is not projected to have a funding deficiency within the next seven years, the Plan's assets are less than 80% of its projected liabilities. Therefore, the Plan is in endangered status (yellow zone).

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 Plan. 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 minimum required under the law. A FIP was adopted on June 30, 2009, based on the Plan's initial seriously endangered status certification on March 31, 2009. The adopted FIP is expected to help the Plan emerge from endangered status by the end of its 15-year funding improvement period, which began on January 1, 2011. The Plan's actuary has determined that the Plan is making the scheduled progress in meeting the requirements of the FIP.

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(CONTINUED)

Please note that the PPA 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. 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.

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.

Where to Get More Information

In the event you have any questions or would like additional information about this notice, you may contact the Trust Fund office, at Allied Fund Administrators, 1640 South Loop Rd, Alameda, California 94502 or by phone at (415) 986-6276. 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
Pension Benefit Guaranty Corporation