NOTICE OF ENDANGERED STATUS

FOR

IRON WORKERS LOCALS 40, 361 AND 417 PENSION FUND

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

As you may know, the Pension Protection Act of 2006 (PPA) has added requirements for measuring the financial health of multiemployer plans such as ours.

The PPA requires that a Pension Fund's actuary determine the Fund's status under these new rules annually and certify that status to the IRS and the Trustees (who are the plan sponsor). If the actuary determines that the Fund is in "endangered" status ("yellow zone") or "critical" status ("red zone") for the year, the Trustees must notify all plan participants, employers and other interested parties in writing of this certification, as well as take corrective action to restore the financial health of the plan.

Endangered Status

On March 28, 2008 the Pension Fund's actuary determined and certified that the Fund was in "endangered" status for the 2008 plan year. This determination was made because the Fund was less than 80% funded. As required, the Pension Fund's actuary again formally reviewed the status of the Fund's financial health and certified on March 31, 2011, that the Pension Fund continues to be in endangered (yellow zone) status for the 2011 plan year. This determination was made because, based on the PPA's funding measures, the Fund continues to be less than 80% funded. "Endangered" is a label that the law requires us to use, but in fact, the Fund is meeting its funding goals and is expected to continue doing so into the future.

Funding Improvement Plan

The PPA also requires every pension fund in the yellow zone to adopt a "Funding Improvement Plan" (FIP). The FIP is an action plan designed to increase a plan's funding percentage and to assure that contributions will be enough to meet the minimum required under the law. Our FIP was adopted on November 21, 2008 and a notice describing the FIP was provided to the bargaining parties shortly after its adoption. The FIP will be reviewed and updated as necessary in 2011.

The negotiated contribution rates already in effect for the Pension Fund are expected to be sufficient to fund the benefits that participants are earning each year, and to pay the Fund's operating costs. At this time we expect that the Plan's funding percentage will continue to improve, in line with the requirements of the PPA, but that will depend on how the Fund's assets fare in the face of investment market uncertainty.

Please note that the PPA mandates that our Plan's funding status be reviewed and certified annually and notices like this one will be sent each year until the Fund is no longer in the yellow zone. You will also be receiving formal Annual Funding Notices giving other details about the Fund's finances, in addition to other communications about the Fund that the Trustees send out from time to time. While our goal is to remain on track with the Plan's funding schedule, there are several variables beyond our control that our advisors will monitor yearly, including investment market volatility and changes in employment levels and/or the number of contributing employers. Unexpected developments in these or other areas could affect the Fund's status and corrective actions might be needed in the future.

We understand that legally required notices like this one can create concern about the Pension Fund's future. The Board of Trustees remains confident that the Fund will continue to provide our participants and their families with secure retirement benefits.

In the event you have questions or would like additional information, you may contact the Board of Trustees, at Iron Workers Local 40, 361 and 417 Pension Fund, 451 Park Avenue South, New York, NY 10016, telephone (215) 537-0900.

Sincerely,

The Board of Trustees

cc: US Department of Labor
US Pension Benefit Guaranty Corporation

ANNUAL FUNDING NOTICE

For

IRON WORKERS LOCALS 40, 361 AND 417 PENSION FUND

Introduction

This notice includes important funding information about your pension plan ("the Plan"). This notice also provides a summary of federal rules governing multiemployer plans in reorganization and insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning January 1, 2010 and ending December 31, 2010 ("Plan Year").

Funded Percentage

The funded percentage of a plan is a measure of how well that plan is funded. This percentage is obtained by dividing the Plan's assets by its liabilities on the valuation date for the plan year. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and 2 preceding plan years is set forth in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period.

	2010 Plan Year	2009 Plan Year	2008 Plan Year
Valuation Date	January 1, 2010	January 1, 2009	January 1, 2008
Funded percentage	69.5%	66.3%	71.4%
Value of Assets	$270,983,020	$251,618,063	$264,973,225
Value of Liabilities	$390,143,462	$379,309,607	$371,363,271

Fair Market Value of Assets

Asset values in the chart above are actuarial values, not market values. Market values tend to show a clearer picture of a plan's funded status as of a given point in time. However, because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. As of December 31, 2010, the fair market value of the Plan's assets was $272,207,668. Please note that this is a preliminary figure as the 2010 audit has not yet been completed. As of December 31, 2009, the fair market value of the Plan's assets was $241,220,645. As of December 31, 2008, the fair market value of the Plan's assets was $209,681,719.

Participant Information

The total number of participants in the plan as of the Plan's valuation date was 3,981. Of this number, 1,845 were active participants, 1,530 were retired or separated from service and receiving benefits, and 606 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. The funding policy of the Plan is that the plan is funded by contributions made by employers pursuant to collective bargaining agreements with the unions that represent the plan's participants.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is as follows:

In order to provide an appropriate level of diversification for the Plan, professional investment managers can invest in cash, equity and domestic fixed income. The investment targets for the overall allocation of the Plan's assets is as follows:

Asset Allocation	Lower Limit	Target	Upper Limit
Equity	40%	45%	50%
Domestic Fixed Income	40%	45%	50%
Cash	0%	5%	10%

In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. Please note that the asset values are preliminary and subject to confirmation when the audit is completed. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Interest-bearing cash	6.50%
2. U.S. government securities	17.65%
3. Corporate debt instruments (other than employer securities):	20.73%
Preferred	
All other	
4. Corporate stocks (other than employer securities):	45.93%
Preferred	
Common	
5. Partnership/joint venture interests	
6. Real estate (other than employer real property)	5.42%
7. Value of interest in pooled separate accounts	1.55%
8. Other	2.22%

For information about the plan's investment in any of the following types of investments as described in the chart above - common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities - contact Mr. Brian Sabbagh, Fund Administrator, at (212) 684-1586.

Critical or Endangered Status

Under federal pension law a plan generally will be considered to be in "endangered" status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or in "critical" status if the percentage is less than 65 percent (other factors also apply). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

The Plan was in "endangered" status in the Plan Year because it is less than 80% funded. In an effort to improve the Plan's funding situation, the trustees updated the funding improvement plan on December 8, 2010 (the original funding improvement plan was adopted November 21, 2008). Projections based on reasonable assumptions using December 31, 2009 2010 asset values indicate that the Funding Improvement Plan requirements would be met without the need for changes to the current plan of benefits and the contribution rate provided in the current collective bargaining agreements.

In summary, both the Funding Improvement Plan's default schedule and the alternative schedule consist of the following:

1. A contribution rate of at least $9.55 per hour for all contributing employers and for every year that the Fund is in endangered status, and
2. The plan of benefits in effect as of the first certification of Endangered status (March 28, 2008), for all current and future active participants and for every year that the Plan is in Endangered status, except for:

   a) any benefit changes required for the Plan to continue meeting the requirements to maintain its tax qualification under the Internal Revenue Code and comply with other applicable law, or

   b) after commencement of the Funding Improvement Period, specific benefit increases, if the Trustees determine that they will be financed out of contributions not contemplated for the Funding Improvement Plan and will not impede the Fund's progress toward achieving the Pension Protection Act benchmarks for plans in endangered status.

You may obtain a copy of the actuarial and financial data that demonstrate any action taken by the plan toward fiscal improvement by contacting the plan administrator.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator.

Summary of Rules Governing Plans in Reorganization and Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called "plan reorganization rules," a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of $500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($500/10), which equals $50. The guaranteed amount for a $50 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Where to Get More Information

For more information about this notice, you may contact:

Iron Workers Locals 40, 361 & 417 Pension Fund
451 Park Avenue South
New York, New York 10016
(212) 684-1586

For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 51-6102576. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).