

**Notice of Critical Status
for the
Buffalo Laborers' Pension Fund**

This is to inform you that on September 28, 2010 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Buffalo Laborers' Pension Fund (the "Plan") is in "critical status" for the plan year beginning July 1, 2010. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status because it has funding problems. Specifically, the Plan's actuary has determined that the Plan's funded percentage as of July 1, 2010 is less than 65%, and the Plan is projected to have an accumulated funding deficiency within the current plan year or the next four succeeding plan years (as of June 30, 2015).

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the Board of Trustees (the "Trustees") of the Plan determines that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of your accrued benefit based on service you have already earned, payable at your normal retirement date. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after October 28, 2010. But you should know that whether or not the Plan reduces adjustable benefits in the future, effective as of October 28, 2010, the Plan is not permitted to pay lump sum benefits (including lump sum death benefits) or any other payment in excess of the monthly amount paid under a single life annuity while it is in critical status.

Adjustable Benefits

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the Trustees of the Plan may adopt:

- Disability benefits not yet in pay status
- Early retirement benefits or retirement-type subsidies
- Pre-retirement death benefit subsidies
- Benefit payment options other than a qualified joint-and-survivor annuity

Employer Surcharge

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the Plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the Plan is in critical status. The surcharge will terminate when the employer and the union adopt a collective bargaining agreement that is consistent with the terms of the rehabilitation plan adopted by the Trustees.

Where to Get More Information

For more information about this notice, you may contact the Trustees of the Buffalo Laborers' Pension Fund at 2750 Harlem Road, Suite 200; Cheektowaga, NY 14225 or (716) 894-8061. You have a right to receive a copy of the rehabilitation plan from the Plan, once it is adopted by the Trustees.