NOTICE OF CRITICAL STATUS
FOR
IDAHO SIGNATORY EMPLOYERS - LABORERS PENSION PLAN

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 Board of Trustees for the Idaho Signatory Employers – Laborers Pension Plan ("Plan Sponsor") that the Idaho Signatory Employers – Laborers Pension Plan ("Plan") is in critical status for the Plan Year beginning January 1, 2013. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan's Actuary reported to the Plan Sponsor its determination that the Plan has an accumulated funding deficiency for the current Plan Year.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the sixth year the Plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On August 28, 2008, you were notified that the Plan reduced or eliminated adjustable benefits. On April 24, 2008, you were notified that as of April 24, 2008 the Plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. If the Plan Sponsor determines that further 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 (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 24, 2008.

Adjustable Benefits

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

- ☐ Post-retirement death benefits;
- ☐ Sixty-month payment guarantees;
- ☑ Disability benefits (if not yet in pay status);
- ☑ Early retirement benefit or retirement-type subsidy;
- ☑ Benefit payment options other than a qualified joint and survivor annuity (QJSA);
- ☐ Recent benefit increases (i.e., occurring in past 5 years);
- ☑ Other similar benefits, rights, or features under the Plan including pre-retirement death benefits.

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.

Once a Rehabilitation Plan is adopted, the surcharge no longer applies with respect to employees covered by a collective bargaining agreement or participation agreement that includes the terms of the Rehabilitation Plan, and the terms of the adopted Rehabilitation Plan will apply to contributions from the date of effective adoption.

Where to Get More Information

For more information about this Notice, you may contact The William C. Earhart Co., Inc., P.O. Box 4148, Portland, Oregon 97208. Phone: (503) 460-5248 or (877) 405-8340.

You have a right to receive a copy of the Rehabilitation Plan from the Plan.