FLINT AREA SHEET METAL WORKERS BENEFIT FUNDS

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Notice of Critical Status
For
Flint Area Sheet Metal Workers Local 7 Zone 4 Pension Plan

EIN 38-6082372 / Plan No. 001

This is to inform you that on July 29, 2010 the Plan's Actuary certified to the U.S. Department of the Treasury and to the Plan Sponsor that the Plan is in critical status for the plan year beginning May 1, 2010. Federal law requires that you receive this notice. In the future you will receive an annual update of this status and the progress the Plan is making towards the goals described below.

Critical Status

The Plan is considered to be in critical status because it is projected to satisfy the following:

> Funded percentage less than 65% and projected accumulated funding deficiency within the current or next 4 plan years. The Plan's actuary determined that the Plan's funded percentage is 61% on May 1, 2010. The "funded percentage" is the fraction of earned benefits that could be funded with existing Fund assets. The Plan's actuary also projects that, if no further action is taken, the Plan has an accumulated funding deficiency (not recognizing any amortization extensions) for the plan year ending April 30, 2010. Note, "accumulated funding deficiency" means that contributions would be insufficient to satisfy Federal requirements; it does not mean that the Fund would become bankrupt or run out of money.

As required by law, the Plan Actuary's certification includes only contribution rate increases that have been codified in collective bargaining or participation agreements.

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. A rehabilitation plan may involve reductions to future benefit accruals, increases to contribution rates, or both. The law also permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. The Plan offers the following adjustable benefits which may be reduced or eliminated (for participants not yet in pay status) as part of any rehabilitation plan the Pension Plan may adopt:

- Disability benefits;
- Early retirement benefits or subsidies;
- Benefits in effect less than 60 months;

As of May 1, 2009 certain benefits were reduced pursuant to the rehabilitation plan and you were mailed a notice of these reductions on March 30, 2009. If the Trustees of the Plan determine that additional benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. But you should know that whether or not the Plan reduces adjustable benefits, effective as of August 28, 2010, the Plan is not permitted to pay any 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.

Future Experience and Possible Adjustments

The rehabilitation 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 Fund were to suffer asset returns below the expected 7.50% (in the 2010-2011 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 will receive a separate notice identifying and explaining the effect of those changes.

Where to Get More Information

You have a right to receive a copy of the rehabilitation plan and any updates to the plan. To receive a copy, you may contact the Fund Office at the following address or telephone number:
Flint Area Sheet Metal Workers Local 7 Zone 4 Fringe Benefit Funds, 700 Tower Drive, Suite 300, Troy, MI, 48098, 1.800.842.2690.