

Notice of Critical Status For Operating Engineers' Local 324 Pension Fund

This is to inform you that on July 29, 2010 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Operating Engineers' Local 324 Pension Fund (the "Plan") is in critical status for the plan year beginning May 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 or liquidity problems, or both. More specifically, the Plan's actuary determined that the Plan is projected to have an accumulated funding deficiency for the plan year ending April 30, 2013, which is within the current plan year or the next three succeeding plan years.

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 trustees of the Plan determine 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 a participant's basic benefit payable at normal retirement accrued to date. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after May 1, 2010. But you should know that whether or not the Plan reduces adjustable benefits in the future, effective as of August 30, 2010, 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. Benefits already in payment status on or before May 1, 2010 will not be affected.

Adjustable Benefits

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

- Post-retirement death benefits;
- 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);
- Other similar benefits, rights, or features under the Plan such as the Pre-Retirement Death Benefit for Single Participants, Lump Sum Death Benefits, and Supplemental Benefit #1.

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 terminates when the employer agrees to the obligation imposed upon employers in the rehabilitation plan adopted by the Trustees.

Where to Get More Information

For more information about this Notice, you may contact BeneSys at 700 Tower Drive, Suite 300, Troy, Michigan 48098, or by telephone at (248) 641-4900. You have a right to receive a copy of the rehabilitation plan from the Plan.