

Notice of Critical Status For Boilermakers Lodge 329 Pension Fund

This is to inform you that on March 25, 2011, the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Boilermakers Lodge 329 Pension Fund is in critical status for the plan year beginning January 1, 2011. 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 has not passed the "Emergence Test", meaning that the Plan was in critical status last year and the Plan is projected to have an accumulated funding deficiency for this plan year or any if the nine succeeding plan years (a funding deficiency is projected in the 2019 Plan Year).

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. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after May 1, 2009, except as to benefits that could be eliminated regardless of critical status. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of the date of this notice, 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.

Adjustable Benefits

The plan offers the following adjustable benefits [with a checked box before the item] which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

- Post-retirement death benefits;
- Guaranteed term of payment (120 months);
- 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 {provide identification}

The law also allows changes in certain "ancillary" benefits, such as disability and lump sum death benefits, and future benefit accruals without regard to critical status.

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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. One of the exceptions terminates the surcharge when a contribution agreement is amended to comply with the rehabilitation plan for the Plan. All employers have modified their agreements in this fashion and the surcharge is not applicable at present.

Where to Get More Information

For more information about this Notice, you may contact the Board of Trustees, c/o Alliance Benefit / BPAS / Harbridge Consulting Group, LLC, 3501 Masons Mill Road - Suite 505, Huntingdon Valley, PA 19006, 215-706-4000.

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

Dated: April 21, 2011