

Notice of Endangered Status
For
PLUMBERS AND PIPEFITTERS LOCAL UNION NO. 74 PENSION PLAN
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The goal of the funding improvement plan is to: (i) decrease the percentage of underfunding by at least one-third over the ten year funding improvement period, and (ii) avoid a funding deficiency over the same time frame.

Measures to improve the plan funding would be subject to bargaining and would include: (i) increases in contribution rates, (ii) decreases in future benefit accrual levels, or (iii) a combination of the two. If the bargaining parties cannot agree on a funding improvement plan, future benefit accruals must be reduced (*with advance notice to participants*) on the earlier of (i) impasse certified by the Department of Labor and (ii) within 180 days after the current collective bargaining agreement expires.

During the ten year funding improvement period, the Plan could not be amended to increase benefits or to accelerate the nonforfeitable status of benefits unless those changes were part of the funding improvement plan. An endangered plan could provide benefit increases if the plan actuary were to certify in advance that the goals of the funding improvement plan would still be met.

The funding improvement plan will be updated and filed with the Internal Revenue Service annually. The funding improvement period ends once the funded level is no longer in the endangered category.

Based on the most recent evaluation, current contributions to the Plan are sufficient to satisfy the funding improvement plan requirements without any benefit reductions.

Where to Get More Information

For more information about this Notice, you may contact:

Plan Administrator
C/o GEM Group
650 Naamans Road, Suite 303, Claymont, DE 19703
Phone : (302) 798-6801; (800) 223-7405

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

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This is to inform you that on March 27, 2008, the Plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Plan will be in endangered status for the plan year beginning January 1, 2008. Federal law requires that you receive this notice.

Endangered Status

The Plan is considered to be in endangered status because it has funding or liquidity problems or both. More specifically, the Plan's actuary determined that the Plan's funded percentage for the 2008 plan year is less than 80%.

Funding Improvement Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in endangered status to adopt a funding improvement plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce future benefit accrual levels as part of a funding improvement 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 benefit reductions.

Funding Improvement Plan

Federal law requires pension plans in endangered status to adopt a funding improvement plan aimed at restoring the financial health of the plan. This is the first year the Plan has been in endangered status. Endangered plans are required to develop a ten year corrective program containing financial targets to improve the Plan's funded status. The corrective program, or funding improvement plan, must be established within 240 days of the actuarial certification. Based on the Plan being in the endangered category as of January 1, 2008, a funding improvement plan will need to be adopted by November 30, 2008.

The funding improvement period is generally the ten year period beginning on the first day of the first plan year after the earlier of:

- 2nd anniversary of the adoption of the funding improvement plan
- Expiration of collective bargaining agreements that were in effect on the due date of the certification covering at least 75% of the active participants

Therefore, for your plan, the ten year funding improvement period will begin no later than the January 1, 2011 plan year.