

**NOTICE OF CRITICAL STATUS
FOR
International Brotherhood of Electrical Workers
Local Union No. 527 Pension Fund**

EIN: 74-6213086

Plan No. 001

To: *Participants, Beneficiaries, Participating Unions and Contributing Employers*

Date: *April 30, 2010*

RE: *Critical Status of the Plan for the 2010 Plan Year*

In 2008 and 2009, the Pension Plan's actuary determined and certified that the Plan was in "critical" status for the 2008 and 2009 plan years. As required, the Pension Plan's actuary again formally reviewed the status of the Plan's financial health for the 2010 Plan Year and certified on March 31, 2010, that the Pension Plan continues to be in critical status for the 2010 Plan Year. This determination was made because the Plan is projected to have a funding deficiency within the next four years.

Rehabilitation Plan and Plan Changes

As previously explained, the "Rehabilitation Plan," which is designed to restore the financial health of the Plan, was adopted by the Board of Trustees on May 27, 2008 and subsequently adopted by the bargaining parties. In accordance with the Internal Revenue Code, on September 2, 2008, a Notice of Adjustment to Benefits Due to Critical Status was sent to you explaining the changes to the Plan as mandated under the Rehabilitation Plan. These changes generally apply to Participants whose benefit commencement date is on or after October 1, 2008. The changes include elimination of subsidies in the Early Retirement Pension, the Husband-and-Wife Pension and the Pre-Retirement Surviving Spouse Pension for Inactive Vested Participants. For Inactive Vested Participants who began receiving benefits after April 27, 2008 but prior to the date the Notice was distributed, their benefits were adjusted beginning October 1, 2008. The Pension Plan also eliminated pre-retirement lump sum death benefits effective April 27, 2008.

Adjustable Benefits

In addition to these recent changes, the law permits pension plans in critical status to make similar changes to future benefits and to reduce, or even eliminate, benefits called "adjustable benefits". The Plan offers the following adjustable benefits that may be reduced or eliminated as part of an amendment to the Rehabilitation Plan:

- Disability benefits (if not yet in pay status),
- Early retirement benefit or retirement-type subsidy,

- Subsidized Qualified Joint-and Survivor Annuity (QJSA),
- Subsidized Qualified Pre-Retirement Survivor Annuity (QPSA), or
- Recent benefit increases (i.e, those that were adopted or took effect since January 1, 2003).

However, no reduction of adjustable benefits will reduce the level of your basic benefit payable at normal retirement. In the event additional benefit reductions are necessary and the Rehabilitation Plan is amended, you will be notified in a separate notice of any additional changes or reductions, and provided an explanation of the effect of those reductions. In addition, these reductions may only apply to Participants and beneficiaries whose benefit commencement date is no earlier than April 27, 2008.

Where to Get More Information

Since the law requires that the Plan's funding status be reviewed and certified annually, notices like this one will be sent each year if the Plan is in critical status. The Trustees will timely notify you of any other changes that may be made to the Plan to ensure the Plan's financial stability. You also have a right to receive a copy of the rehabilitation plan from the Fund Office. If you have any questions about this notice or any previous notices sent about these changes, please contact:

Ms. Mary Bustamante
International Brotherhood of Electrical Workers
Local Union No. 527 Pension Fund
6820 FM 1765
Texas City, TX 77591
(409) 933-9800.

We understand that legally required notices like this one can create concern about the Plan's future. The Board of Trustees is working with the Union and the Contributing Employers toward taking appropriate actions to improve the financial health of the Plan so that your retirement benefits are secure into the future.

Sincerely,

Board of Trustees

cc: Department of Labor
Pension Benefit Guaranty Corporation