Notice of Critical Status
For

Maintenance Employees Teamsters Union Local No. 416 of Cleveland Pension Fund
EIN: 51-6033958
PN: 001

Date of Notice January 28, 2010

To: Participants, Beneficiaries, Retirees, Participating Employers, Maintenance Employees Teamsters Union Local No. 416 of Cleveland

The Pension Protection Act of 2006 ("PPA"), a Federal law, amended ERISA and the Internal Revenue Code to, among other things, impose additional funding rules for multiemployer pension plans that are based upon the actuarial status of the plan. PPA requires multiemployer pension plans to be evaluated by actuaries in order to determine whether the pension plan has a current or projected funding deficiency. The multiemployer pension plan's actuary must certify to the Secretary of Treasury and the plan sponsor whether or not the multiemployer pension plan's funding status is "Endangered" or "Seriously Endangered", commonly referred to as in the "Yellow Zone", or "Critical", commonly referred to as in the "Red Zone" for the plan year.

For the Maintenance Employees Teamsters Union Local No. 416 of Cleveland Pension Fund ("Pension Fund"), these rules took effect last year starting October 1, 2008 and the actuary certified that Pension Fund was in Critical or "Red Zone" status last year. For each year after this initial effective date, the Pension Fund must obtain a new actuarial certification and send out a Notice which informs you of the current actuarial status.

The Pension Fund's Actuarial Status for 2009-2010 Plan Year

The purpose of this notice is to inform you that on December 29, 2009 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan continues to be in critical status for the plan year beginning October 1, 2009. This is the second year that the Pension Fund has been in critical status. The PPA requires that as an interested party you receive this Notice.

The actuary has certified that the Pension Fund is in the Red Zone for the 2009-2010 plan year because a funding deficiency, which is the failure to satisfy the minimum funding requirements, exists in the current year. Based upon this determination that the Pension Fund is in the Red Zone, additional steps to improve the funding of the Pension Fund were required to be made by the Trustees in order to comply with the PPA as described further in the next section.

The Pension Fund's Rehabilitation Plan and Changes in Adjustable Benefits

Last year when the Pension Fund was certified in the Red Zone, the Trustees developed a plan to restore the financial health of the Pension Fund referred to as a "Rehabilitation Plan." The Trustees made changes to the benefits provided under the Pension Fund as part of this Rehabilitation Plan. These changes included the reduction and elimination of benefits called "Adjustable Benefits." PPA defines certain types of benefits that are considered "Adjustable Benefits" which can be reduced or even eliminated as part of a Rehabilitation Plan even if they would otherwise be protected under ERISA's anti-cutback rules. The term "Adjustable Benefit" generally includes all of the following:

1. Benefits, rights and features under the Pension Fund, including post-retirement death benefits, disability benefits not yet in pay status and similar benefits; and
2. Any early retirement benefit or retirement type subsidies and any benefit payment options, other than the 50% and 75% qualified joint and survivor annuity; and
3. All benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Pension Fund's critical year because the increase was adopted less than 60 months prior to October 1, 2008.

This Rehabilitation Plan, effective April 20, 2009, only included one schedule called the "New Schedule of Benefits" or "Default Schedule" reduced all Adjustable Benefits to the maximum extent allowable by law. The Trustees provided the schedule to the Maintenance Employees Teamsters Local 416 of Cleveland ("Local Union") and each Contributing Employer (collectively referred to as "bargaining parties") on May 20, 2009. Each time a Collective Bargaining Agreement expires, this New Schedule of Benefits must be adopted by the bargaining parties as part of the new Collective Bargaining Agreement.

Generally, this New Schedule of Benefits eliminates early retirement subsidies for benefits that begin prior to Normal Retirement Age, age 65, eliminates an unreduced benefit for participants under the Twenty Year and Out and Twenty Five Year and Out Pensions, continues the freeze of all future benefit accruals, eliminates the disability pension benefit and eliminates all lump sum payment options under the Plan. Additionally, the New Schedule of Benefits includes a contribution increase of 16.6% of the current contribution rate compounded annually for each year beginning October 1, 2009. This annual increase of 16.6% shall continue for each year of the rehabilitation period. **This New Schedule of Benefits is effective for all retirements on or after October 1, 2007 once it is adopted by a Contributing Employer.**

Any changes to Adjustable Benefits which were adopted as part of the Rehabilitation Plan **will not** reduce the level of any participant's accrued benefit payable at Normal Retirement Age, with the exception of a repeal of recent benefit increases as noted in item 3 above. Additionally, these reductions will not apply to any participant or beneficiary that started receiving his or her benefits prior to **October 1, 2007**.

Notification that Employer Surcharges may be Required in Certain Circumstances

Once a multiemployer pension plan is certified as in the Red Zone, the PPA requires that all contributing employers pay a surcharge to the Pension Fund to help improve the funding situation. Surcharges are additional contributions paid to the Pension Fund at the same time and in the same manner as the regular contributions. Once the bargaining parties negotiate the New Schedule of Benefits provided under the Rehabilitation Plan and the New Schedule of Benefits is adopted into a Collective Bargaining Agreement, the obligation for the employer to pay the surcharges is eliminated. The amount of this surcharge is in addition to the amount an employer is otherwise required to contribute to the pension plan under the Collective Bargaining Agreement. With some exceptions, a 5% surcharge applies for the initial plan critical year and increases to 10% for succeeding plan years until it is no longer applicable. **In the case of this Pension Fund, the 5% surcharge applied to contributions for work performed between March 1, 2009 and September 30, 2009 and this surcharge amount increased to 10% as of October 1, 2009.** This 10% Surcharge will continue until the bargaining parties adopt the New Schedule of Benefits provided under the Rehabilitation Plan as part of the Collective Bargaining Agreement.

Where to Get More Information

The PPA requires that the plan actuary determine the Pension Fund's status each year and that a Notice of such status be issued to all interested parties annually. You have the right to receive a copy of the Rehabilitation Plan from the Pension Fund upon written request. For more information about this Notice, you may contact the Fund Office at (216) 485-1523 or 709 Brookpark Road, Cleveland, OH 44109.

Statement of Rights

Participants and Beneficiaries have rights under the Plan and ERISA as described in the Summary Plan Description. If you have any questions about your Plan or this Notice, you should contact Fund Office at (216) 485-1523 or 709 Brookpark Road, Cleveland, OH 44109. Also, Participants and beneficiaries have the right to contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington DC 20210.