NOTICE OF PENSION PLAN STATUS
(FOR THE PLAN YEAR BEGINNING MAY 1, 2012)

To: All Participants and Beneficiaries of the Bricklayers Pension Trust Fund Metropolitan Area, Contributing Employers and Employer Associations, Pension Benefit Guaranty Corporation and Secretary of Labor.

As required by law, this notice is being provided to you to update you on the funding status of the Bricklayers Pension Trust Fund Metropolitan Area ("the Plan"). The Plan's actuary has certified that the Plan is in "endangered" status (so called, "yellow zone") for the plan year beginning May 1, 2012, as explained below. As a result, certain steps have to be taken by the Plan, which include providing you with this Notice and the adoption of the Funding Improvement Plan discussed later. The Plan remains in a relatively strong financial position, and is in no danger of becoming insolvent.

- **Plan's Funding Status**

The Pension Protection Act ("PPA") imposes funding requirements upon multiemployer pension plans like yours, to ensure that they are well-funded in future years. Each plan is required to conduct an annual study to determine the plan's funding level. Unless the plan is funded at 80% or better, and it is not projected to have an accumulated funding deficiency within six plan years, it is required to adopt a process to improve its funding level – the Funding Improvement Plan.

The determination that the Plan is in the yellow zone was made by the actuary because the Plan had a funded percentage less than 80%, specifically the Plan's funded percentage was 70.5%. This percentage is calculated by comparing the Plan's assets to the present value of the Plan's accrued benefit liabilities to participants and beneficiaries, as of May 1, 2012. Valuations of the Plan's benefit liabilities are made using various actuarial assumptions, developed by the actuary, and will be done on an annual basis going forward.

- **Adoption of Funding Improvement Plan**

In 2010, the Plan was initially certified to be seriously endangered because it also was projected to have an accumulated funding deficiency for the plan year ending April 30, 2017. Now, the Plan is not projected to have a funding deficiency until 2021, resulting in the improved "endangered" certification. As required by law, the Plan adopted a Funding Improvement Plan, which is designed to improve the Plan's funded percentage by at least 20% over a 15-year period. The Funding Improvement Plan was adopted on March 25, 2011, and was updated this year. It requires contribution increases each year through 2015. The Plan's trustees and consultants will update the Funding Improvement Plan annually to be sure that it meets or exceeds the required benchmarks.

- **Operational Restrictions During Funding Improvement Period**

Due to its endangered status, the Plan is subject to a number of legal restrictions and rules until the end of the 15-year Funding Improvement Period. During this time, employer contribution rates cannot be lowered, or suspended, and young or new employees cannot be excluded from participating in the Plan. The Plan is also generally prohibited from increasing benefit rates during this time.

- **Where to Get More Information**

For more information about this Notice, you may contact the Plan's third-party administrator Benefit Advisors, Inc., at 24900 Harper Avenue, St. Clair Shores, MI 48080 or by telephone at (866) 987-6935. You have the right to receive a copy of the Funding Improvement Plan from the administrator once it has been adopted. The

Department of Labor also publishes information regarding this process at: http://www.dol.gov/ebsa/criticalstatusnotices.html.

- **Frequently Asked Questions**

Q1 Why did I receive this notice?

A relatively new law, the PPA, became effective in 2008 and requires you to receive this notice. Due to the certification of endangered status, the PPA also requires that the Plan adopt certain procedures to improve its funding condition (as described in the Funding Improvement Plan) to ensure the financial health of the plan.

Q2 What does funded percentage mean?

The calculations mentioned in this notice compare the cost of providing promised pension benefits versus the current actuarial value of the assets held by the Plan. Based on past experience, the Plan compares the actuarial value of assets to the amount it will be required to pay for retirement benefits in the future. The result is the funded percentage that is used for compliance with the PPA.

Q3 What does accumulated funding deficiency mean?

Accumulated funding deficiency is a technical term that compares the future cost of providing benefits for a year against a credit that consists of the amount of employer contributions and certain investment income. If the cost of benefits exceeds the credits, an accumulated funding deficiency exists for that year, which affects the Plan’s PPA status. The existence of a funding deficiency does **not** mean that the Plan is insolvent and unable to pay benefits.

Q4 Why is this process necessary?

Even though the Plan has been proactive in addressing its funding level, the PPA established new rules that now require faster funding of plans than under prior law. Like most pension plans, the Plan’s returns were less than anticipated during the general downturn of the stock market of the last decade. The funding level has been further eroded due to the poor economy in Michigan, which adversely affected the Plan’s work hours.

Q5 What has the Plan done to improve the situation?

The Plan, as always, is also working with its investment advisors to place Plan assets in investment vehicles with good returns, at the lowest risk possible, as demonstrated by the Plan's improvement from "seriously endangered" to "endangered" status. The Plan is in relatively good condition from a funded percentage standpoint in comparison to many similar pension plans.

Q6 What is the Funding Improvement Plan?

The Funding Improvement Plan consists of legally mandated schedules, designed to improve the funded percentage of the Plan. It requires annual contribution increases each year through June 1, 2015.

Q7 Will the Funding Improvement Plan work?

The Plan has a number of professional advisors that are working on the Funding Improvement Plan. Although there are no guaranties, the Funding Improvement Plan is expected to place the Plan in a strengthened financial position by the end of the funding improvement period in 2027. It will be reviewed each year, to make sure it stays on track.