Actuarial Valuation Report
for the
Warehouse Employees Union
Local No. 730 Pension Trust

as of January 1, 2012

Produced by Cheiron

October 2012

CHEIRON Classic Values, Innovative Advice

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October 15, 2012

Warehouse Employees Union
Local No. 730 Pension Trust
911 Ridgebrook Road
Sparks, Maryland 22102

Dear Trustees:

At your request, we have performed the January 1, 2012 actuarial valuation of the Warehouse Employees Union Local No. 730 Pension Trust. This report contains information on the Fund's assets and liabilities and also discloses contribution levels, including the minimum required amount as mandated by Federal law. This report is for the use of the Board of Trustees and the Fund's auditors in preparing financial reports in accordance with applicable law and accounting requirements. It is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

Your attention is called to the introductory section in which we refer to the general approach employed in the preparation of this report. We also comment on the sources and reliability of both the data and the actuarial assumptions on which our findings are based. Those comments are the basis for our certification that this report is complete and accurate to the best of our knowledge and belief. The results of this report are only applicable to the 2012 plan year and rely on future Plan experience conforming to the underlying assumptions. To the extent that actual Plan experience deviates from the underlying assumptions, the results would vary accordingly.

Cheiron's report was prepared exclusively for the Trustees of the Warehouse Employees Union Local No. 730 Pension Trust for a specific and limited purpose. It is not for use or benefit of any third party for any purpose. Any third party recipient of Cheiron's work product (other than the Fund's auditor, attorney, third party administrator or other professional when providing professional services to the Fund or any governmental agency to which this certification is required to be submitted by law or regulation) who desires professional guidance should not rely upon Cheiron's work product but should engage qualified professionals for advice appropriate to its own specific needs.

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Board of Trustees
Warehouse Employees Union Local No. 730 Pension Trust
October 15, 2012

We hereby certify that, to the best of our knowledge, this report has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board, and that as Members of the American Academy of Actuaries, we meet the Qualification Standards to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

Sincerely,
Cheiron

Peter R. Hardcastle, FIA, FSA, EA, CFA
Principal Consulting Actuary

Anu Patel, FSA, EA
Consulting Actuary

FOREWORD

Cheiron has performed the actuarial valuation of the Warehouse Employees Union Local No. 730 Pension Trust as of January 1, 2012. The purpose of this report is to:

1) **Measure and disclose**, as of the valuation date, the financial condition of the Fund; and

2) **Provide specific information** and documentation required by the Federal Government and the auditors of the Fund.

An actuarial valuation establishes and analyzes Fund assets, liabilities and contributions on a consistent basis, and traces the progress of both from one year to the next. It includes measurement of the Fund's investment performance as well as an analysis of actuarial liability gains and losses.

Section I presents a summary of the valuation and compares this year's results to last year's results.

Section II contains exhibits relating to the valuation of assets.

Section III shows the various measures of liabilities.

Section IV shows the development of the minimum and maximum contributions.

Section V provides demonstration that the Fund is not in reorganization.

Section VI provides the calculation of unfunded vested benefits for withdrawal liability purposes.

Section VII provides information required by the Fund's auditor.

The appendices to this report contain a summary of the Fund's membership at the valuation date, a summary of the major provisions of the Fund, and the actuarial methods and assumptions used in the valuation.

In preparing our report, we relied without audit, on information (some oral and some written) supplied by Associated Administrators LLC and Calibre CPA Group PLLC. This information includes, but is not limited to, the Plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice #23.

The actuarial assumptions reflect our understanding of the likely future experience of the Fund and the assumptions, taken individually, represent our best estimate for the future experience of the Fund. The results of this report are dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from the actuarial assumptions, the true cost of the Plan could vary from our results.

Finally, in preparing this report, we have conformed to generally accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board.

SECTION I
SUMMARY

The table below sets out the principal results of this year's valuation and compares them to last year's results. Both years reflect the Board adopted funding relief under Internal Revenue Code Sections 431(d) and 431(b)(8).

Warehouse Employees Union Local No. 730 Pension Trust
Summary of Principal Results

	1/1/2011	1/1/2012	Change
Participant Counts			
Actives	925	816	(11.8%)
Terminated Vesteds	600	662	10.3%
In Pay Status	768	831	8.2%
Total	2,293	2,309	0.7%
Financial Information			
Market Value of Assets	$ 154,767,359	$ 146,288,457	(5.5%)
Actuarial Value of Assets	185,720,831	175,546,148	(5.5%)
AVA as a % of MVA	120.0%	120.0%	
Entry Age Actuarial Liability	$ 238,451,261	$ 260,689,590	9.3%
Surplus (Unfunded Actuarial Liability)	(52,730,430)	(85,143,442)	N/A
Present Value of Accrued Benefits	$ 226,995,188	$ 254,433,372	12.1%
Accrued Benefit Surplus (Unfunded)	(41,274,357)	(78,887,224)	N/A
Accrued Benefit Funding Ratio (AVA Basis)	81.8%	69.0%	N/A
Present Value of Vested Benefits	$ 221,913,837	$ 246,353,319	11.0%
Vested Benefit Surplus (Unfunded)	(36,193,006)	(70,807,171)	N/A
Vested Benefit Funding Ratio (AVA Basis)	83.7%	71.3%	N/A
Contributions and Cash Flows			
ERISA Credit Balance (Beginning of Year)	$ 13,447,597	$ 14,361,287	6.8%
Employer Contributions (actual/*estimated*)	6,467,235	*5,229,000*	(19.1%)
ERISA Minimum Funding before Credit Balance	6,883,066	10,018,860	45.6%
Prior Year Benefit Payouts	$ 12,628,718	$ 15,843,567	25.5%
Prior Year Administrative Expenses	331,295	311,329	(6.0%)
Prior Year Total Investment Income (Net)	17,711,721	1,208,759	N/A

SECTION I
SUMMARY

General Comments

Please note this valuation was prepared using census data and financial information as of the valuation date, January 1, 2012. Events following that date are not reflected in this report. The next valuation will reflect all membership and investment experience changes through December 31, 2012.

- On November 26, 2009, the Board of Trustees of the Fund voted on, approved, and adopted a Rehabilitation Plan. The Rehabilitation Plan is applicable for collective bargaining agreements and participation agreements renewed or extended after December 25, 2009. The Plan's Rehabilitation Period began on January 1, 2012. In preparing our report and valuation results, all collective bargaining agreements expiring after December 25, 2009 were valued under the Preferred Schedule starting January 1, 2012.

- In February, 2010, the Board approved a five-year extension of the Plan's amortization bases as of January 1, 2009 under Section 431(d) of the Code. The net impact on the Funding Standard Account is a $5.7 million increase in the January 1, 2012 Credit Balance from what it would be without the Section 431 extension.

- In March 2012, the Fund was certified to be in Critical Status (Red). The Fund has been in Critical Status since 2009. A Rehabilitation Plan was timely adopted in November 2009.

- The market value of assets returned 0.81% during the year ending December 31, 2011. In dollars the total investment loss (difference between actual and expected returns) was $10.8 million.

- For long-term planning, the Trust applies a smoothing method which phases in investment gains and losses over five years with the exception of 2008 investment losses which are phased in over a ten-year period in accordance with funding relief. Due to the continued phase-in of investment losses in past years, the actuarial rate of return was -0.25%, resulting in an actuarial loss of $14.9 million.

- The following funding relief options were made retroactive to January 1, 2009 and remain in effect for this valuation:

  - The "special amortization rule," which allows the Plan's investment losses for the plan year ended December 31, 2008 to be separately amortized over 29 years, whereas they were previously required to be amortized over 15 years.
  - The "special asset valuation rule" in determining the actuarial value of Plan assets which allows the Plan to recognize the 2008 investment loss over ten years, at 10% per year. Prior to the relief, the 2008 loss would be recognized over five years, or 20% per year.
  - The "special asset corridor" which allows the upper limit on the actuarial value of assets to be raised from 120% to 130% of market value of assets for plan years beginning January 1, 2009 and January 1, 2010.

- In May 2011, the Actuarial Standards of Practice were updated stating that mortality improvements should be considered for valuations after June 30, 2011. We conducted an experience study and based on the results we updated the current mortality table (1983 Group Annuity Mortality Table) to the RP 2000 Combined Mortality Table with Blue Collar Adjustment and generational projections. This resulted in an increase in actuarial liability of $11.3 million.

SECTION I
SUMMARY

- We changed the retirement assumption to a service based scale to better reflect actual experience and to capture the impact of retirements under the 30 and out provision. This resulted in an increase in actuarial liability of $3.1 million. We will continue to monitor retirements under both the 30 and out provision and at normal retirement age. We anticipate that with service under the Rehabilitation Plan accruing with a normal retirement age of 62, increasing numbers of participants will defer retiring until that age.

- The Fund's liability measured using the Entry Age Normal Funding method increased by $22.2 million including the impact of changes in assumptions described above. There was a liability loss of $2.1 million.

- The Fund's funding ratio for PPA purposes, measured using the Unit Credit method, declined from 81.8% to 69.0%. The funding ratio declined due to a combination of poor asset performance during 2011 and the increase in liabilities due to changes in assumptions.

- On the PPA measure, the Fund's liabilities grew by $27.4 million during the 2011 plan year. This includes $15.0 million increase in liability due to the changes in assumptions.

- The end of year minimum required contribution before taking into account the credit balance increased from $6.9 million to $10.0 million.

- During the 2011 plan year, the Fund's credit balance increased from $13.5 million to $14.4 million. The credit balance is expected to decrease to $10.9 million by December 31, 2012.

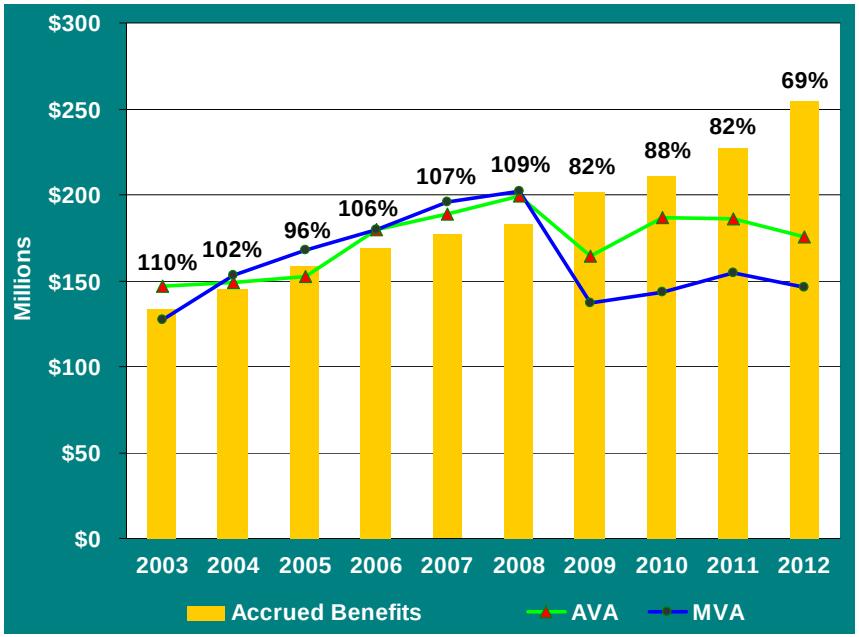
- Under the provisions of the Multiemployer Pension Plan Amendment Act of 1980 (MPPAA) if the vested benefit liabilities exceed plan assets, an assessment of withdrawal liability may be made to any employer withdrawing from the Fund.

SECTION I
SUMMARY

Historical Summary

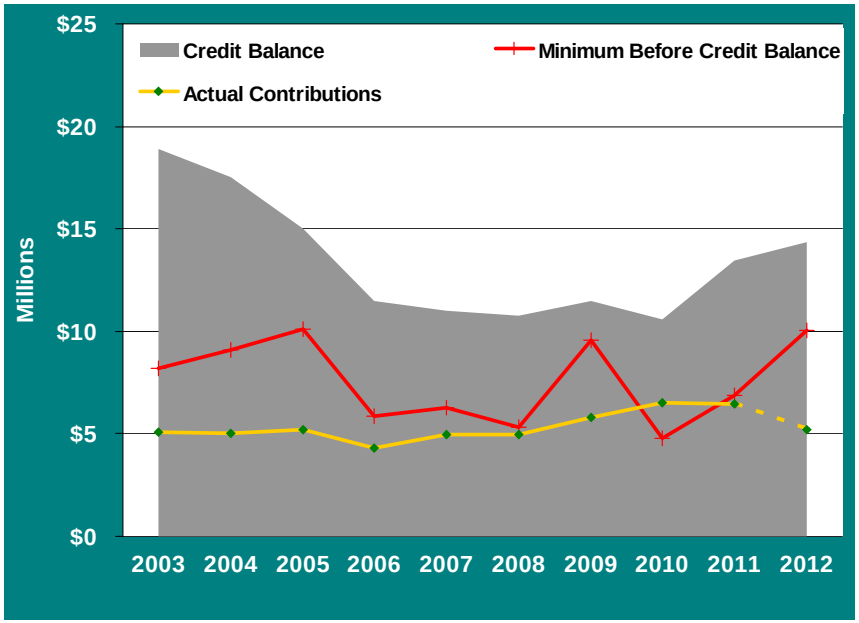
We present herewith a series of charts which display key results from the prior ten actuarial valuations.

The Fund's PPA funding ratio (actuarial assets as a percentage of accrued liabilities) declined sharply after 2008 principally due to the negative asset return. The funding ratio declined during 2011 due to poor asset returns and changes in actuarial assumptions.



The chart below shows the contributions paid to the Fund (yellow line), the minimum contribution before the credit balance (red line), and the credit balance (gray area).

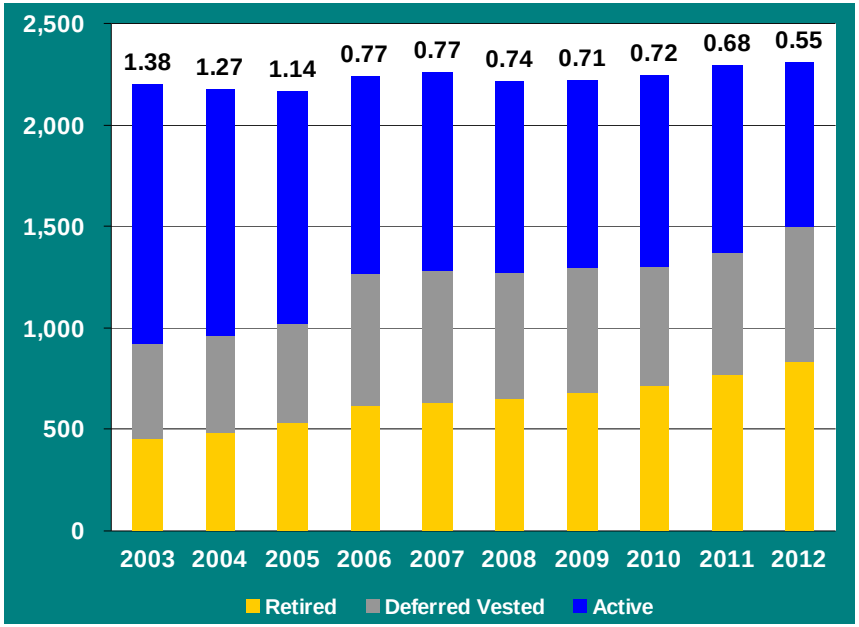
The contributions for the last ten years have mostly been lower than the minimum required contribution causing a gradual decline in the credit balance. Actual contributions for 2011 were almost the same as the minimum mainly due to the 431(d) extension that began January 1, 2009 and the election to take funding relief under PRA 2010. This resulted in an increase in the credit balance. Contributions are expected to decline during 2012 due to the withdrawal of two participating employers.



SECTION I
SUMMARY

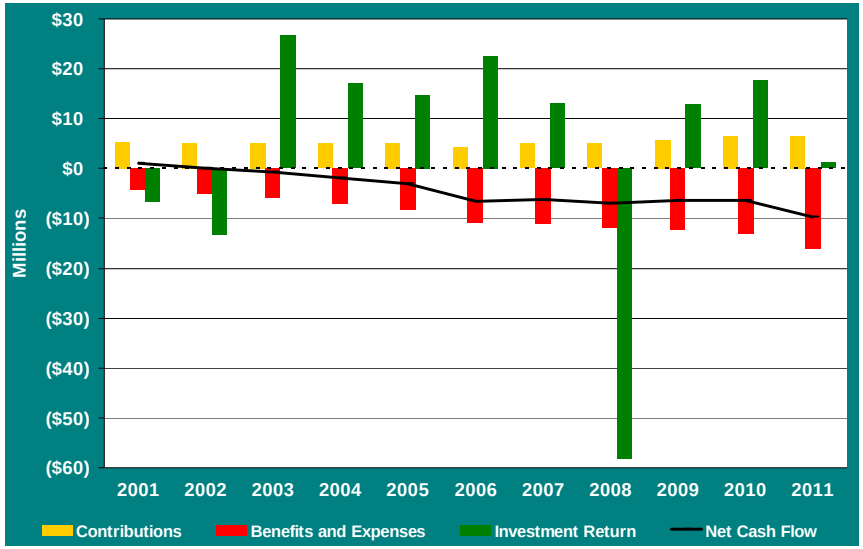
The following chart shows the participants of the Fund at successive valuation dates. The numbers which appear above each bar represent the number of active members to inactive members at each valuation date.

After several years of declines, indicating a maturing of the Fund, the ratio of active to inactive members had stabilized somewhat. However, the ratio has now been appreciably dropping over the last two years.



The following chart shows the Plan cash flow at successive valuation dates. This is a critical measure, as it reflects the ability to have funds available to meet benefit payments without having to make difficult investment decisions, especially during volatile markets.

The Fund's net cash flow (NCF) has been negative for almost the entire period shown. The implications of a plan in negative cash flow are that the impact of market fluctuations can be more severe. This is because as assets are being depleted to pay benefits in down markets, there is less principal that is available to be reinvested during favorable return periods.

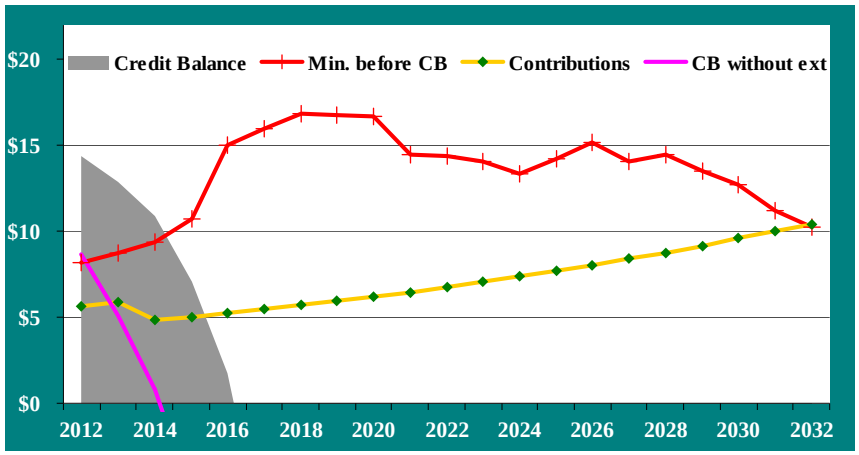


SECTION I
SUMMARY

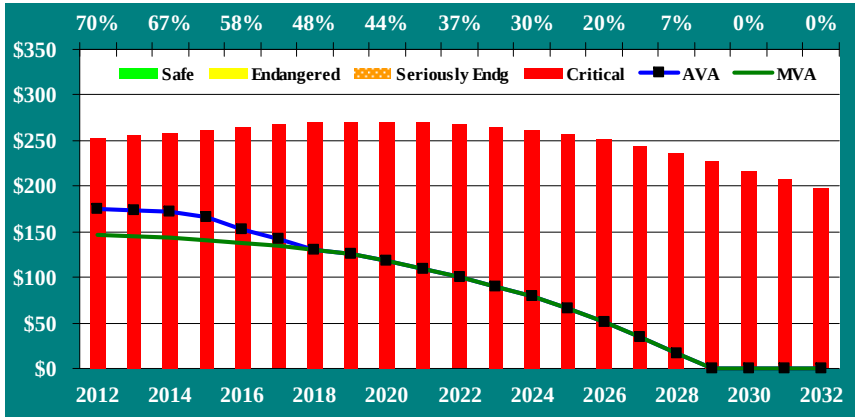
Future Outlook

The following two graphs show the expected progress of the Plan over the next 20 years assuming the Plan's assets earn 8.00% on their *market value.* These projections include the elimination of all early retirement subsidies except for the 30 & out provision and the contributions increases that were part of the updated Rehabilitation Plan which is currently in effect. These projections also reflect the withdrawal of two employers during 2012 - Jessup Logistics and McKesson Drug.

The following chart on minimum funding shows that the credit balance is expected to be depleted during 2016. For purposes of determining whether a plan is in Critical status, the 431(d) extensions are ignored. Under this scenario, the Credit Balance would be depleted in 2014. Since the Plan is classified as "Critical" under the Pension Protection Act, excise taxes related to future funding deficiencies can be avoided as long as the Trustees continue to maintain a Rehabilitation Plan and the Plan follows it.



The graph below shows assets and liabilities and the projected funding status over the next 20 years. Without changes, the Plan's assets are expected to be depleted by 2029. Note that this projection assumes an 8% return on the market value of assets each and every year going forward. The red bars indicate that without additional changes, and assuming the assumptions are met, the Plan is expected to remain in Critical Status going forward.



SECTION II
ASSETS

Assets at Market Value

Market values represent "snap-shot" or "cash-out" values which provide the principal basis for measuring financial performance from one year to the next.

Statement of Assets at Market Value, December 31,

	2010	2011
Invested Assets		
Common Stocks	$ 61,971,406	$ 55,966,794
U.S. Government Agencies Notes and Bonds	9,803,332	8,498,297
Corporate Notes and Bonds	4,742,690	5,583,249
Mutual Funds	14,186,989	13,388,395
Limited Partnerships & DFEs	37,398,136	38,547,779
Common Collective Trusts	7,874,226	8,897,320
Temporary	3,084,413	1,799,721
Other (Fund of Funds)	11,087,586	10,725,090
Total Investments:	$ 150,148,778	$ 143,406,645
Other Assets		
Employer Contributions Receivable	547,171	545,729
Accrued Interest and Dividends	128,216	149,161
Other Receivables	47,361	115,342
Prepaid Expenses	15,502 [1]	16,337
Cash	4,057,854 [1]	2,258,158
Accounts Payable	(177,523)	(202,915)
Total Non-Invested Assets:	$ 4,618,581	$ 2,881,812
Net Assets Available for Benefits	$ 154,767,359	$ 146,288,457

[1] Revised per audited financial statements as of December 31, 2011

Assets at Actuarial Value

For long-term planning actuaries commonly use smoothing techniques to mitigate the short-term volatility exhibited by the capital markets. The asset valuation method, adopted with the 2007 valuation, phases in investment gains and losses over five years. The actuarial value of assets is then constrained, if necessary, so that it is not more than 120% of the market value and is not less than 80% of the market value. The asset valuation method is described more fully in Appendix C.

The table below shows the development of the actuarial asset value.

Actuarial Value of Assets

Market Value of Assets as of January 1, 2012				$ 146,288,457
Plan Year	Investment Gains / (Losses)	Percent Recognized	Percent Deferred	Amount Deferred
12/31/2007	(2,508,865)	100%	0%	0
12/31/2008	(74,150,277)	40%	60%	(44,490,166)
12/31/2009	2,167,799	60%	40%	867,120
12/31/2010	6,485,448	40%	60%	3,891,269
12/31/2011	(10,792,578)	20%	80%	(8,634,063)
Total				$ (48,365,840)
Preliminary Actuarial Value of Assets January 1, 2012				$ 194,654,297
120% of MV, upper limit for actuarial value				175,546,148
80% of MV, lower limit for actuarial value				117,030,766
Actuarial Value of Assets January 1, 2012				$ 175,546,148
- as a percent of Market Value of Assets				120.0%

SECTION II
ASSETS

Changes in Market Value

The components of asset change are:

- Contributions
- Benefit payments
- Expenses
- Investment income (realized and unrealized)

The specific changes during 2011 are presented below.

Changes in Market Values		
Value of Assets - January 1, 2011	$	154,767,359
Employer Contributions		6,467,235
Investment Return (Gross)		2,072,427
Benefit Payments		(15,843,567)
Administrative Expenses		(311,329)
Investment Expenses		(863,668)
Value of Assets - January 1, 2012	$	146,288,457

Actuarial Gains from Investment Performance

The following table calculates the investment related gain/loss for the plan year on both a market value and actuarial value basis. The market value gain/loss is an appropriate measure for comparing the actual asset performance to the long-term 8% assumption. The gain/loss on actuarial value is one component of the Fund's overall experience gain/loss which is recognized for minimum funding. The actuarial value incorporates a significant level of smoothing which helps to smooth the funding requirements by reducing asset valuation volatility.

Item	Market Value	Actuarial Value
January 1, 2011 value	$ 154,767,359	$ 185,720,831
2011 Employer Contributions	6,467,235	6,467,235
2011 Benefit Payments	(15,843,567)	(15,843,567)
Expected Administrative Expenses	N/A	(349,754)
Actual Administrative Expenses	(311,329)	N/A
Expected Investment Earnings (8%)	12,001,337	14,461,841
Expected Value December 31, 2011	157,081,035	190,456,586
Investment Gain / (Loss)	(10,792,578)	(14,910,438)
January 1, 2012 value	$ 146,288,457	$ 175,546,148
Investment Return	0.81%	-0.25%

SECTION III
LIABILITIES

In this section, we present detailed information on Plan liabilities including:

- **Disclosure** of Plan liabilities at January 1, 2011, and January 1, 2012; and

- Statement of **changes** in these liabilities during the year.

Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the people ultimately using the figures and the purpose for which they are using them.

- **Actuarial Liabilities:** Used in determining minimum funding standards requirements, maximum tax deductible contributions, and long-term funding targets. This amount is calculated using the **Entry Age Normal Cost** method.

- **Accrued Liabilities:** Used for communicating the current levels of liabilities. This liability represents the total amount of money needed to fully pay off all future obligations of the Fund using funding assumptions and assuming no further accrual of benefits. These liabilities are also required for accounting purposes (FASB ASC 960), and to establish comparative benchmarks with other plans in financial reports. Starting in 2008, this liability is also be used for PPA classification purposes.

- **Vested Liabilities:** Used for administrative purposes in determining employer withdrawal liability, this liability represents that portion of the accrued liabilities which are vested.

- **Current Liabilities:** Used for Federal Government compliance purposes, the calculation of this liability is defined by federal regulations and is used by the government to monitor maximum allowable tax deductible contributions.

The table on the following page discloses each of these liabilities for the current valuation and the prior one. With respect to each disclosure, a subtraction of the appropriate value of Plan assets yields, for each respective type, a **surplus or unfunded liability**.

SECTION III
LIABILITIES

Liabilities/Net Surplus (Unfunded)		
	1/1/2011	**1/1/2012**
ACTUARIAL LIABILITY		
Active Participant Benefits	$ 96,348,933	$ 79,944,189
Retiree and Inactive Benefits	142,102,328	180,745,401
Actuarial Liability	**$ 238,451,261**	**$ 260,689,590**
Actuarial Value of Assets	185,720,831	175,546,148
Net Surplus (Unfunded)	**$ (52,730,430)**	**$ (85,143,442)**
ACCRUED LIABILITY		
Active Participant Benefits	$ 84,892,860	$ 73,687,971
Retiree and Inactive Benefits	142,102,328	180,745,401
Accrued Liability	**$ 226,995,188**	**$ 254,433,372**
Actuarial Value of Assets	185,720,831	175,546,148
Net Surplus (Unfunded)	**$ (41,274,357)**	**$ (78,887,224)**
VESTED LIABILITY		
Accrued Liability	$ 226,995,188	$ 254,433,372
Less Present Value of Non-Vested Benefits	5,081,351	8,080,053
Vested Liability	**$ 221,913,837**	**$ 246,353,319**
Actuarial Value of Assets	185,720,831	175,546,148
Net Surplus (Unfunded)	**$ (36,193,006)**	**$ (70,807,171)**
CURRENT LIABILITY (RPA 1994)	**$ 368,876,311**	**$ 398,062,459**
Market Value of Assets	154,767,359	146,288,457
Net Surplus (Unfunded)	**$ (214,108,952)**	**$ (251,774,002)**

SECTION III
LIABILITIES

Allocation of Liabilities by Type

The Fund's participants may qualify for a benefit upon death, termination, and disability as well as upon retirement. The value of the liabilities arising from each of these sources is shown in the following table.

Benefit Type	Retirement	Termination	Death	Expenses	Total
Entry Age Normal Cost	$ 1,756,537	$ 436,767	$ 25,350	$ 375,616	$ 2,594,270
Entry Age Actuarial Liability					
Actives	$ 79,021,783	$ 261,706	$ 660,700	$ -	$ 79,944,189
Terminated Vesteds	-	45,281,545	-	-	45,281,545
Retirees and Beneficiaries	131,124,452	-	4,339,404	-	135,463,856
Total	$ 210,146,235	$ 45,543,251	$ 5,000,104	$ -	$ 260,689,590
Current Liability Normal Cost	$ 4,024,553	$ 351,692	$ 29,307	$ -	$ 4,405,552
Current Liability					
Actives	$ 123,119,546	$ 7,322,743	$ 867,201	$ -	$ 131,309,490
Terminated Vesteds	-	83,277,493	-	-	83,277,493
Retirees and Beneficiaries	177,608,177	-	5,867,299	-	183,475,476
Total	$ 300,727,723	$ 90,600,236	$ 6,734,500	$ -	$ 398,062,459
Vested Current Liability					
Actives	$ 16,441,941	$ 103,769,189	$ 834,875	$ -	$ 121,046,005
Terminated Vesteds	-	83,277,493	-	-	83,277,493
Retirees and Beneficiaries	177,608,177	-	5,867,299	-	183,475,476
Total	$ 194,050,118	$ 187,046,682	$ 6,702,174	$ -	$ 387,798,974

Currently Liability is based on the RPA 94 assumptions, including an interest rate of 4.29%.

SECTION III
LIABILITIES

Changes in Liabilities

Each of the liabilities shown in the table below is subject to change at successive valuations as the experience of the Fund varies from that assumed in the valuation. The liabilities may change for any of several reasons, including:

- New hires since the last valuation
- Benefits accrued since the last valuation
- Plan amendments
- Interest on accrued liabilities
- Benefits paid to retirees
- Participants leaving employment at rates different from expected
- Changes in actuarial assumptions
- Changes in actuarial methods

The overall valuation results also change because employer contributions differ from those expected and investment returns are not in line with the actuarial assumptions.

	Actuarial Liability	Accrued Liability
Liabilities 1/1/2011	$ 238,451,261	$ 226,995,188
Liabilities 1/1/2012	$ 260,689,590	$ 254,433,372
Liability Increase (Decrease)	$ 22,238,329	$ 27,438,184
Change Due due to:		
Plan Amendment	$ 0	$ 0
Assumption Change	14,930,777	15,004,427
Accrual of Benefits	2,396,273	6,178,721
Passage of Time (Interest less benefits paid)	2,802,685	2,188,795
Other Sources	0	0
Actuarial (Gain) / Loss	2,108,594	4,066,241

SECTION IV
CONTRIBUTIONS

In this section, we present detailed information on Fund contributions from two perspectives:

- **Actuarially determined** contributions, based on the Entry Age Normal funding method; and
- **Government Limitations** which could affect the above.

Actuarial Contributions

For this Fund, the funding scheme employed is the **Entry Age Cost Method**. The cost is determined in two parts.

The first part is the Entry Age Normal Cost. This is the level cost of providing the benefits promised by the Fund to each individual participant in service at the valuation date assuming that contributions are made over the period of the participant's working life.

The second part is an amortization payment to pay off the unfunded actuarial liability. The unfunded actuarial liability is the difference between the actuarial assets of the Fund at the valuation date and the assets the Fund should hold as determined by the actuarial cost method. The actual cost is determined by the amortization schedule established by the IRS minimum funding rules.

Government Limitations

ERISA and the IRS tax code place various limits on the contributions made to qualified pension plans. The limits impact the minimum that must be paid, the maximum that can be deducted and the timing of contributions. To ensure that minimum contributions are met, pension plans are required to retain an Enrolled Actuary to complete Schedule MB to Form 5500 on an annual basis. Because the bargained contributions have exceeded the minimum required contribution in years past, the Fund has built up a Credit Balance. The Credit Balance can be used to make up the difference between the minimum required contribution and the bargained contribution.

The actuarially determined contribution for 2012 is shown below compared to the Government Limits and the estimated actual contributions. The table also shows the per capita cost and contribution.

Contributions for 2012		
Actuarially Determined Contribution		
Entry Age Normal Cost	$	2,218,654
Expense Load		375,616
Amortization Payment		6,682,452
Interest to End of Year		742,138
Total	$	10,018,860
Government Limits		
Maximum Deductible Contribution	$	391,549,256
Minimum Contribution (before Credit Balance)	$	10,018,860
Credit Balance (with interest to End of Year)	$	15,510,190
Minimum Contribution (after Credit Balance)	$	0
Employer Contributions with Interest*	$	5,434,136
Count of Active Participants		816
Per Capita Actuarial Cost	$	12,278
Per Capita Contribution	$	6,659

* Estimated

SECTION IV
CONTRIBUTIONS

The following pages show the development of the minimum and maximum contributions for 2012. The determination of the minimum contribution reflects the five-year extension of the periods over which the charge bases are amortized. This extension was granted for the 2009 plan year.

FUNDING STANDARD ACCOUNT FOR 2011 AND 2012 PLAN YEARS

	2011	2012
1. Charges For Plan Year		
a. Normal Cost with Expenses	$ 2,746,027	$ 2,594,270
b. Amortization Charges	14,986,488	18,324,238
c. Interest on a. and b. to Year End	1,418,601	1,673,481
d. Additional Funding Charge	N/A	N/A
e. Interest Charge due to Late Quarterly Contributions	N/A	N/A
f. Total Charges	$ 19,151,116	$ 22,591,989
2. Credits For Plan Year		
a. Prior Year Credit Balance	$ 13,447,597	$ 14,361,287
b. Employer Contributions (actual/expected)	6,467,235	5,229,000
c. Amortization Credits	11,359,306	11,641,786
d. Interest on a., b., and c. to Year End	2,238,265	2,285,382
e. Full Funding Limit Credit	0	0
f. Total Credits	$ 33,512,403	$ 33,517,455
3. Credit Balance at End of Year [2. - 1.]	$ 14,361,287	$ 10,925,466

SECTION IV
CONTRIBUTIONS

CALCULATION OF THE MAXIMUM DEDUCTIBLE CONTRIBUTION FOR THE PLAN YEAR STARTING JANUARY 1, 2012

1.	"Fresh Start" Method		
a.	Normal Cost with Expenses	$	2,594,270
b.	Net Charge to Amortize Unfunded Actuarial Liability Over 10 years		11,748,966
c.	Interest on a. and b.		1,147,459
d.	Total		15,490,695
e.	Minimum Required Contribution at Year End		0
f.	Larger of d. and e.		15,490,695
g.	Full Funding Limitation as of Year End		190,697,194
h.	Regular Maximum Deductible Contribution, lesser of f. and g.	$	15,490,695
2.	140% of Current Liability Calculation*		
a.	RPA 1994 Current Liability at Start of Year	$	398,062,459
b.	Present Value of Benefits Estimated to Accrue during Year		4,405,552
c.	Expected Benefit Payments		17,655,041
d.	Net Interest on a., b. and c. at Current Liability Interest Rate		16,891,154
e.	Expected Current Liability at End of Year, [a. + b. – c. + d.]		401,704,124
f.	140% of e.		562,385,774
g.	Actuarial Value of Assets		175,546,148
h.	Expected Expenses at Start of Year		375,616
i.	Net Interest on c., g. and h. at Valuation Interest Rate		13,321,027
j.	Estimated Value of Assets, [g. – c. – h. + i.]		170,836,518
k.	Unfunded Current Liability at Year End, [f. – j.]	$	391,549,256
3.	Maximum Deductible Contribution at Year End, greater of 1. and 2.	$	391,549,256

* Based on combined mortality specified in Reg. §1.412(l)(7)-1 and an interest rate of 4.29%.

SECTION IV
CONTRIBUTIONS

DEVELOPMENT OF ACTUARIAL GAIN/(LOSS)
FOR THE YEAR ENDED DECEMBER 31, 2011

1.	Unfunded Actuarial Liability at Start of Year	$ 52,730,430
2.	Normal Cost (with expenses) at Start of Year	$ 2,746,027
3.	Interest on 1. and 2. to End of Year	$ 4,438,117
4.	Employer Contributions for Year	$ 6,467,235
5.	Interest on 4. to End of Year	$ 253,706
6.	Change in Unfunded Actuarial Liability Due to Changes in Plan Design	$ 0
7.	Change in Unfunded Actuarial Liability Due to Changes in Assumptions	$ 14,930,777
8.	Expected Unfunded Actuarial Liability at End of Year [1. + 2. + 3. – 4. - 5. + 6.+ 7.]	$ 68,124,410
9.	Actual Unfunded Actuarial Liability at End of Year, not less than zero	$ 85,143,442
10.	Actuarial Gain / (Loss) [8. – 9.]	$ (17,019,032)
10a.	2008 Eligible Net Investment Loss Recognized in 2012	$ (20,111,057)
10b.	Bifurcation Base	$ 3,092,025

SECTION IV
CONTRIBUTIONS

SCHEDULE OF AMORTIZATIONS REQUIRED FOR MINIMUM REQUIRED CONTRIBUTION
AS OF JANUARY 1, 2012

Type of Base	Date Established	1/1/2012 Outstanding Balance	Remaining Amortization Years [1]	Beg of Yr Amortization Amount
CHARGES				
1. Change in Actuarial Cost Method	01/01/1984	$ 1,901,147	9	$ 281,792
2. Increase in Employer Contributions	01/01/1985	390,397	8	62,903
3. Increase in Employer Contributions	01/01/1986	20,876	9	3,094
4. Plan Amendments	01/01/1986	751,116	9	111,332
5. Increase in Employer Contributions	01/01/1987	668,104	10	92,192
6. Change in Actuarial Assumptions	01/01/1988	61,835	11	8,020
7. Increase in Employer Contributions	01/01/1988	809,285	11	104,965
8. Increase in Employer Contributions	01/01/1989	1,023,081	12	125,702
9. Increase in Employer Contributions	01/01/1990	920,827	13	107,875
10. Increase in Employer Contributions	01/01/1991	1,543,165	14	173,316
11. Plan Amendments	01/01/1992	42,695	15	4,619
12. Increase in Employer Contributions	01/01/1992	627,949	15	67,929
13. Change in Actuarial Cost Method	01/01/1992	1,156,372	9	171,400
14. Change in Actuarial Assumptions	01/01/1992	1,826,274	15	197,558
15. Increase in Employer Contributions	01/01/1993	1,019,490	16	106,647
16. Increase in Employer Contributions	01/01/1994	1,279,738	17	129,905
17. Experience Loss	01/01/1995	99,842	3	35,872
18. Increase in Employer Contributions	01/01/1995	1,063,993	18	105,121
19. Plan Amendments	01/01/1996	603,433	19	58,180
20. Increase in Employer Contributions	01/01/1996	1,156,467	19	111,500
21. Plan Amendments	01/01/1997	39,396	20	3,715
22. Increase in Employer Contributions	01/01/1997	1,228,018	20	115,811
23. Increase in Employer Contributions	01/01/1998	532,121	21	49,188
24. Plan Amendments	01/01/1998	9,660,877	21	893,025
25. Increase in Employer Contributions	01/01/1999	1,661,994	22	150,860
26. Plan Amendments	01/01/1999	3,751,405	22	340,517
27. Increase in Employer Contributions	01/01/2000	418,669	23	37,379
28. Plan Amendments	01/01/2001	354,430	24	31,169
29. Change in Actuarial Assumptions	01/01/2001	656,155	24	57,704
30. Experience Loss	01/01/2001	536,774	9	79,562
31. Increase in Employer Contributions	01/01/2001	2,208,491	24	194,220
32. Plan Amendments	01/01/2002	564,018	25	48,923
33. Increase in Employer Contributions	01/01/2002	1,987,464	25	172,392
34. Experience Loss	01/01/2002	1,442,028	10	198,986

[1] The remaining amortization period for the charge bases reflect a 5-year automatic extension granted under 431(d).

SECTION IV
CONTRIBUTIONS

**SCHEDULE OF AMORTIZATIONS REQUIRED FOR MINIMUM REQUIRED CONTRIBUTION
AS OF JANUARY 1, 2012 (continued)**

Type of Base	Date Established	1/1/2012 Outstanding Balance	Remaining Amortization Years [1]	Beg of Yr Amortization Amount
CHARGES				
35. Increase in Employer Contributions	01/01/2003	$ 2,203,372	26	188,729
36. Experience Loss	01/01/2003	6,434,468	11	834,553
37. Increase in Employer Contributions	01/01/2004	1,965,624	27	166,438
38. Experience Loss	01/01/2004	4,864,981	12	597,740
39. Increase in Employer Contributions	01/01/2005	2,202,394	28	184,530
40. Experience Loss	01/01/2005	4,320,224	13	506,113
41. Recognized Portion of the 2008 ENIL	01/01/2009	43,430,892	26	3,720,062
42. Bifurcation Base	01/01/2009	9,179,796	17	931,829
43. Bifurcation Base	01/01/2010	7,000,900	13	820,154
44. Recognized Portion of the 2008 ENIL	01/01/2011	6,281,273	26	538,021
45. Method Change	01/01/2011	13,931,470	9	2,064,950
46. Recognized Portion of the 2008 ENIL	01/01/2012	20,111,057	26	1,722,607
47. Assumption Change	01/01/2012	14,930,777	15	1,615,144
TOTAL CHARGES		$ 178,865,152		$ 18,324,238
CREDITS				
1. Change in Actuarial Assumptions	01/01/1994	$ 348,430	12	$ 42,810
2. Change in Actuarial Assumptions	01/01/1996	2,827,416	14	317,552
3. Experience Gain	01/01/1998	448,132	1	448,127
4. Experience Gain	01/01/1999	885,064	2	459,553
5. Change in Actuarial Assumptions	01/01/1999	201,476	17	20,453
6. Experience Gain	01/01/2000	1,814,722	3	652,012
7. Change in Actuarial Assumptions	01/01/2002	996,796	20	94,005
8. Funding Method Change	01/01/2006	10,542,412	4	2,947,198
9. Experience Gain	01/01/2006	4,008,468	9	594,144
10. Experience Gain	01/01/2007	1,617,558	10	223,207
11. Experience Gain	01/01/2008	4,818,760	11	624,995
12. Method Change	01/01/2009	13,319,060	27	1,127,780
13. Recognized Portion of the 2008 ENIL	01/01/2010	7,742,120	26	663,149
14. Plan Amendment	01/01/2010	19,392,060	13	2,271,776
15. Bifurcation Base	01/01/2011	7,305,923	14	820,542
16. Bifurcation Base	01/01/2012	3,092,025	15	334,481
TOTAL CREDITS		$ 79,360,423		$ 11,641,786
NET CHARGE		$ 99,504,729		$ 6,682,452

[1] The remaining amortization period for the charge bases reflect a 5-year automatic extension granted under 431(d).

SECTION IV
CONTRIBUTIONS

ACCUMULATED RECONCILIATION ACCOUNT AND BALANCE TEST AS OF JANUARY 1, 2012

1. Amount due to Additional Interest Charges in prior years	$	0
2. Amount due to Additional Funding Charges in prior years		NA
3. Reconciliation Account at Start of Year [1. + 2.]	$	0
4. Net Outstanding Amortization Bases	$	99,504,729
5. Credit Balance at Start of Year	$	14,361,287
6. Unfunded Actuarial Liability at Start of Year from Funding Equation [4. – 3. – 5.]	$	85,143,442
7. Actuarial Liability at Start of Year	$	260,689,590
8. Actuarial Value of Assets at Start of Year	$	175,546,148
9. Unfunded Actuarial Liability at Start of Year from Liability Calculation [7. – 8., Limited to Zero]	$	85,143,442

The Plan passes the Balance Test because line 6. equals line 9.

SECTION IV
CONTRIBUTIONS

DEVELOPMENT OF FULL FUNDING LIMITATION
FOR PLAN YEAR STARTING JANUARY 1, 2012

	Minimum	Maximum
1. Entry Age Actuarial Liability Calculation		
a. Actuarial Liability	$ 260,689,590	$ 260,689,590
b. Normal Cost with Expenses	2,594,270	2,594,270
c. Lesser of Market Value and Actuarial Value of Assets	146,288,457	146,288,457
d. Credit Balance at Start of Year	14,361,287	-
e. Actuarial Liability Full Funding Limit [a. + b. – c. + d.] x 1.08, limited to zero	$ 141,865,225	$ 126,355,035
2. Full Funding Limit Overide (RPA 1994)		
Interest Rate used to Calculate Current Liability	4.29%	4.29%
a. RPA 1994 Current Liabilty at Start of Year	$ 398,062,459	$ 398,062,459
b. Present Value of Benefits Estimated to Accrue during Year	4,405,552	4,405,552
c. Expected Benefit Payments	17,655,041	17,655,041
d. Net Interest on a., b. and c. at Current Liability Interest Rate	16,891,154	16,891,154
e. Expected Current Liability at End of Year, [a. + b. – c. + d.]	401,704,124	401,704,124
f. 90% of e.	361,533,712	361,533,712
g. Actuarial Value of Assets at Start of Year	175,546,148	175,546,148
h. Expected Expenses	375,616	375,616
i. Net Interest on c., g. and h. at Valuation Interest Rate	13,321,027	13,321,027
j. Estimated Value of Assets, [g. – c. – h. + i.]	170,836,518	170,836,518
k. RPA 1994 Full Funding Limit Override	$ 190,697,194	$ 190,697,194
3. Full Funding Limitation at End of Year, greater of 1. and 2.	$ 190,697,194	$ 190,697,194

SECTION V
REORGANIZATION STATUS

DEMONSTRATION THAT THE FUND IS NOT IN REORGANIZATION FOR THE YEAR STARTING JANUARY 1, 2012

The Reorganization Test specified by ERISA and its Regulations states that unless the Fund elects otherwise the test is based on the valuation for the plan year ending at least 6 months before the Relevant Effective Date. The Relevant Effective Date is the date of the relevant bargaining agreement, provided that bargaining agreement is not more than 36 months old. If there is no relevant bargaining agreement the test is based on the valuation for the plan year ending at least 12 months before the current plan year.

However, the Trustees can opt to use a more recent valuation. This makes the test somewhat simpler to perform because it avoids the need to adjust old valuation results. If the Fund passes the test (i.e. is NOT in Reorganization) using the current valuation then the Trustees can ensure the Fund passes the Reorganization Test by electing to use the current valuation.

Vested Benefits Charge for 2012 based on 1/1/2012 Valuation:

Present Value of Vested Benefits for Retirees	$	135,463,855
Actuarial Value of Assets		175,546,148
Retiree UVB	$	0
10 year Amortization Factor		7.2469
Charge for Retirees	$	0
PVVB for Non-Retirees	$	110,889,464
Residual Assets		40,082,293
Non-retiree UVB	$	70,807,171
25 year Amortization Factor		11.5288
Charge for Non-Retirees	$	6,141,786
Vested Benefits Charge	**$**	**6,141,786**
Net Charges to Funding Standard Account	**$**	**9,276,722**
Reorganization Index	**$**	**0**

The Fund is not in Reorganization because the Reorganization Index is zero.

SECTION VI
WITHDRAWAL LIABILITY

The Multi-Employer Pension Plan Amendments Act of 1980 (MPPAA) provides that a Contributing Employer who withdraws from a multi-employer pension plan, either partially or totally, will be liable to the Fund for a proportionate share of the Fund's total Vested Employee Benefits that exist as of the end of the plan year prior to the year in which the withdrawal occurs.

Liability for Vested Employee Benefits is what the Fund owes to those employees who have guaranteed benefit rights under the Fund. This group is composed of two categories: those former employees who have retired and are currently receiving retirement benefits, and those employees and former employees who have not yet retired but who have accumulated enough service with their Employers so that they are guaranteed to receive a benefit when they do retire even if their employment is terminated prior to retirement.

As shown in the table below, the total actuarial liability for all Vested Employee Benefits as of December 31, 2011 is $246,353,319. This liability has been determined using the actuarial assumptions shown in Appendix C for funding purposes. As of December 31, 2011, the market value of assets of the Fund was $146,288,457. Because the vested liability exceeds the assets of the Fund, there is an unfunded liability for Vested Employee Benefits as of December 31, 2011. Consequently, a Participating Employer who withdraws from the Fund during the plan year beginning January 1, 2012 may have a withdrawal liability which will be based on his allocable share of the Unfunded Vested Liability. In addition a withdrawing employer will be assessed a portion of the adjustable benefit liability in accordance with the provisions of the Pension Protection Act.

WITHDRAWAL LIABILITY
UNFUNDED VESTED BENEFITS AS OF DECEMBER 31, 2011

1. Present Value of Vested Benefits	
a. Retirees and Beneficiaries	$ 135,463,856
b. Terminated Vested Participants	45,281,545
c. Active Participants	65,607,918
d. Total	$ 246,353,319
2. Market Value of Assets	$ 146,288,457
3. Unfunded Vested Benefits [1d. – 2.]	$ 100,064,862
4. Funded Ratio [2. ÷ 1d.]	59.38%

SECTION VII
FASB ASC 960 DISCLOSURES

PRESENT VALUE OF ACCUMULATED BENEFITS AS OF JANUARY 1, 2012 IN ACCORDANCE WITH FASB ASC 960

		Amounts	Counts
1. Actuarial Present Value of Benefits			
For Retirees and Beneficiaries	$	135,463,855	831
Terminated Vesteds		45,281,545	662
Active Participants		65,607,919	565
Vested Benefits	$	246,353,319	2,058
2. Non-vested Benefits	$	8,080,053	251
3. Accumulated Benefits	$	254,433,372	2,309
4. Market Value of Assets	$	146,288,457	
5. Funded Ratios			
Vested Benefits		59%	
Accumulated Benefits		57%	

RECONCILIATION OF PRESENT VALUE OF ACCUMULATED BENEFITS

1. Actuarial Present Value at Start of Prior Year	$	226,995,188
2. Increase (Decrease) over Prior Year due to:		
Benefit Accruals	$	6,178,721
Benefit Payments		(15,843,567)
Increase for Interest		18,032,362
Experience (Gains)/Losses		4,066,241
Changes in Assumptions		15,004,427
Plan Amendments		0
3. Actuarial Present Value at End of Prior Year	$	254,433,372

APPENDIX A
MEMBERSHIP INFORMATION

The data for this valuation was provided by Associated Administrators LLC (AA). Cheiron did not audit any of the data, however the data was reviewed to ensure that it complies with generally accepted actuarial standards. The data is as of January 1, 2012.

The following is a list of data charts contained in this section:

- Age/Service Distribution for Active Participants
- Counts and Average Benefit Amount by Age for Retirees, Beneficiaries, and Disabled Participants
- Counts and Average Benefit Amount by Age for Terminated Vested Participants

AGE/SERVICE DISTRIBUTION OF ACTIVE PARTICIPANTS

PARTICIPANTS AS OF JANUARY 1, 2012

	COMPLETED YEARS OF CREDITED SERVICE							
AGE	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	Total
Under 25	43	0	0	0	0	0	0	43
25-29	57	19	0	0	0	0	0	76
30-34	44	19	13	0	0	0	0	76
35-39	31	20	17	6	0	0	0	74
40-44	37	28	31	17	16	4	0	133
45-49	23	18	19	13	40	23	0	136
50-54	21	25	27	18	26	40	3	160
55-59	13	17	21	16	6	5	4	82
60-64	3	8	4	5	2	4	2	28
65 & Up	2	1	3	0	0	0	2	8
Total	274	155	135	75	90	76	11	**816**

Average Age = 43.8 Average Service = 11.0

APPENDIX A
MEMBERSHIP INFORMATION

AGE DISTRIBUTION OF INACTIVE PARTICIPANTS

PENSIONERS AND BENEFICIARIES RECEIVING BENEFITS AS OF JANUARY 1, 2012

	Normal, Early Deferred Vested Retirements		Surviving Spouses and Beneficiaries Receiving Benefits		Total	
Age	Number	Monthly Benefit	Number	Monthly Benefit	Number	Monthly Benefit
Under 55	54	$ 215,834	4	$ 4,823	58	$ 220,657
55-59	102	353,839	9	5,824	111	359,663
60-64	135	296,090	18	7,645	153	303,735
65-69	185	268,024	25	11,312	210	279,336
70-74	143	148,369	17	5,283	160	153,652
75-79	66	46,417	14	4,146	80	50,564
80 & Over	48	19,773	11	3,085	59	22,858
Total	733	$ 1,348,347	98	$ 42,119	**831**	**$ 1,390,465**

DEFERRED VESTED PARTICIPANTS AND SURVIVING SPOUSES ENTITLED TO FUTURE BENEFITS

Age	Number	Monthly Benefit Payable at Normal Retirement Date
Under 45	172	$ 242,639
45-49	157	309,968
50-54	160	246,583
55-59	122	139,016
60-64	35	16,378
65 & Over	16	4,499
Total	662	$ 959,082

APPENDIX B
SUMMARY OF MAJOR PLAN PROVISIONS

This summary of plan provisions provides an overview of the major provisions of the pension plan used in the actuarial valuation. It is not intended to replace the more precise language of the plan document and is not to be relied upon for calculating participant benefits.

1. Eligibility

Any employee on whose behalf contributions are made to the pension plan is eligible to participate in the Plan.

2. Normal Retirement

Eligibility: Age 60 with five years of service.

For service after the adoption or imposition of a Rehabilitation Benefit Schedule, the normal retirement age has been increased to age 62 with five years of service.

Amount: The greater of the Flat Benefit or the Percentage of Contributions benefit given below.

Flat Benefit

Employer's Contribution			
At Least	But Less Than	First 60 Months	Later Months
---*	$.15	$100*	$ 55
$.15	$.25	$200	$110
$.25	$.35	$300	$165
$.35	$.45	$400	$220
$.45	---	$500	$275

* *This benefit amount is applicable only if the employer's effective date is after January 1, 1981. If the employer's effective date is prior to January 1, 1981, the minimum flat benefit amount for contribution rates less than $.25 is the $200/$110 amount.*

The flat benefit amounts are reduced 5% for each year of service for benefit accrual less than 20. Increases in the level of monthly benefits are made when the employer's contribution rate is increased after the employer's effective date, subject to certain limitations.

Percentage of Contributions Benefit

For service prior to the adoption or imposition of a Rehabilitation Benefit Schedule:

A monthly life annuity reducing to 55% of the original amount after 60 months, equal to (a) 4.17% of all contributions required to be made on a participant's behalf on and after January 1, 1978 plus (b) X% of all contributions required to be made on a participant's behalf prior to January 1, 1978, where "X" is determined from the following table:

Participant's Age On January 1, 1978	X%	Participant's Age On January 1, 1978	X%
60 or over	12.0	49	7.6
59	11.6	48	7.2
58	11.2	47	6.8
57	10.8	46	6.4
56	10.4	45	6.0
55	10.0	44	5.6
54	9.6	43	5.2
53	9.2	42	4.8
52	8.8	41	4.4
51	8.4	40 and under	4.17
50	8.0		

APPENDIX B
SUMMARY OF MAJOR PLAN PROVISIONS

For those employers who elected through a collective bargaining agreement to make a supplemental contribution beginning January 1, 1998, the monthly life annuity above reduces to 55% of the original amount after 96 months instead of 60.

Effective for participants who earned an hour of service on or after January 1, 1999, 24 months is added to the number of months described above (i.e., 60 months and 96 months for a total of 84 and 120 months, respectively).

For service after the adoption or imposition of a Rehabilitation Benefit Schedule:

Preferred Schedule: 2.0% of all contributions required to be made on a participant's behalf on and after the date of adoption of the Preferred Schedule, reducing to 1.0% after the pension has been in effect for 60, 84, 96, or 120 months.

Default Schedule: 1.0% of all contributions required to be made on a participant's behalf on and after the date of adoption or imposition of the Default Schedule.

3. Early Retirement Benefit

Eligibility: At least age 55 and has 20 continuous years of service for benefit accrual; and has ten continuous years of participation.

Amount: Actuarial equivalent of the accrued normal retirement benefit.

Eligibility: On completion of 30 years of service with the Plan.

Amount: Accrued normal retirement benefit payable immediately.

4. Postponed Retirement Benefit

Participant entitled to flat benefit:

A participant who elects to postpone his retirement beyond his normal retirement date is entitled to a postponed retirement benefit equal to the flat benefit increased by 5% for each year of service for benefit accrual after his normal retirement date, provided that the years of service for benefit accrual do not exceed 25, in the aggregate.

Participant entitled to percentage:

A participant who elects to postpone his retirement of contributions benefit beyond his normal retirement date is entitled to a postponed retirement benefit, in lieu of his normal retirement benefit, in the amount of the normal retirement benefit calculated as if he had reached his normal retirement date on the day he actually retires.

5. Termination Benefit

Eligibility: Five credited years of service for vesting.

Amount: A deferred annuity in the amount of the participant's accrued normal benefit at termination commencing at the participant's normal retirement age.

APPENDIX B
SUMMARY OF MAJOR PLAN PROVISIONS

6. Disability Retirement

Eligibility: At least age 45, and has at least 15 continuous years of service for benefit accrual, and has at least five continuous years of participation, and has at least 40 weeks' payments into the trust fund by an employer, and be totally and permanently disabled for at least 6 months as determined by trustees.

Amount: A lump sum of $2.00 per paid week up to a maximum of $2,000.

Eliminated after the adoption or imposition of a Rehabilitation Benefit Schedule.

In addition, the participant is eligible for the termination benefit under the Plan.

7. Death Benefits

Pre-Retirement Lump Sum Death Benefit

Eligibility: Five continuous years of participation in the pension Plan, and has had at least 40 weeks' payments into the trust fund by an employer.

Amount: $2.00 per paid week up to a maximum of $2,000 reduced by any disability benefits paid.

Eliminated after the adoption or imposition of a Rehabilitation Benefit Schedule.

Pre-Retirement Spouse's Pension

Eligibility: Available only to married participants who are eligible for a termination benefit, including vested terminated participants.

Amount: A life annuity to the participant's lawful spouse in the amount of the surviving spouse's benefit that would have been provided under the qualified joint and survivor annuity payable at what would have been the participant's earliest retirement date.

The pre-retirement spouse's benefit will be paid in addition to the lump sum death benefit.

8. Normal Form of Pension

For participants who are married as of the normal retirement date, the normal retirement benefit is automatically payable as a joint and survivor annuity actuarially equivalent to the above benefit. The normal form of pension payable to a married employee who does not elect otherwise will be an actuarially reduced pension on the Joint and 50% Survivor basis.

9. Effective Date of Plan

August 15, 1965. Restated as of January 1, 2002.

APPENDIX B
SUMMARY OF MAJOR PLAN PROVISIONS

10. Last Amended

Restated as of January 1, 2002 as amended on February 25, 2002. The Rehabilitation Plan was adopted on November 26, 2009.

11. Contributions

Employee: None permitted or required.

Employer: On an hourly or weekly basis, on behalf of participating employees, as specified in the applicable collective bargaining agreement.

12. Changes Since Last Valuation

None.

APPENDIX C
ACTUARIAL ASSUMPTIONS AND METHODS

A. Actuarial Assumptions

1. Rates of Investment Return

8.00% for funding and disclosure purposes.
4.29% for determining RPA '94 current liability.
All investment returns are net of investment expenses.

2. Rates of Mortality

RP 2000 Mortality Table with blue collar adjustment and generational mortality improvements. For current liability purposes, the 2012 Static Mortality Table as prescribed under IRS Regulations.

3. Rates of Turnover

Double the combination of Sarason's Advanced Pension Tables. Sample rates:

Age	Rate
20	24.77%
22	22.62
24	20.47
25	19.40
26	18.02
28	15.25
30	12.49
35	8.21
40	5.24
45	2.57
50	0.00

4. Rates of Retirement

Age	Less than 30 years service	30 years service	Over 30 years service
51 – 59	0%	50%	10%
60 and over	100%	100%	100%

5. Rates of Disability

None assumed.

6. Marriage Rates

Percentage married: Males – 80%
Females – 80%

Age differences: Males are assumed to be three years older than spouse.

7. Administrative Expenses

$375,616 payable at the beginning of the year.

8. Active Participants

All non-retired participants who have hours worked during the plan year ending December 31, 2011.

APPENDIX C
ACTUARIAL ASSUMPTIONS AND METHODS

9. Future Hours Worked By Active Participants

Each active participant will work average annual hours worked in the past three years, excluding the year of entry. No participant is assumed to work less than 870 hours per year.

10. Contribution Rate Used for Determination of Minimum Flat Benefit

The contribution rate in effect on January 1, 2012.

11. Contribution Rate Used for Determination of Percentage of Contributions Benefit

The contribution rate in effect on January 1, 2012.

12. Participant Data

This report is based upon employee data furnished by the Fund Administrator. All non-retired participants who have hours worked during the plan year ending December 31, 2011 are assumed to be active participants as of January 1, 2012 unless identified as having been terminated.

13. Assets

from the independent auditors' report as of December 31, 2011.

The actuarial value of assets is based on the market value with an adjustment to smooth appreciation or depreciation in the market value over the past five years.
80% of the net appreciation or depreciation for the most recently completed plan year is removed from the value of the assets, 60% of the appreciation or depreciation for the year prior to that is removed, etc., until the fifth year prior to this plan year for which none of the appreciation or depreciation is removed. The actuarial value of assets is adjusted, if necessary, to be within 80% to 120% of the market value of the assets.

14. Rehabilitation Plan Benefit Schedule

In preparing our report and valuation results, all collective bargaining agreements expiring after December 25, 2009 were valued under the Preferred Schedule starting January 1, 2012.

15. Changes in Assumptions Since Last Valuation

To comply with the revised Actuarial Standards of Practice #35, the mortality assumption was changed from the 1983 Group Annuity Mortality to the RP 2000 Mortality Table with blue collar adjustment and generational mortality improvements.

The retirement assumption was changed from an age based scale to a service based scale to better reflect actual experience.

The administrative expense assumption was changed from $309,468 to $375,616.

The RPA '94 current liability interest rate was changed from 4.47% to 4.29%and the RPA '94 current liability mortality table was changed from the IRS 2011 Static Mortality Table to the IRS 2012 Static Mortality Table to comply with appropriate guidance.

APPENDIX C
ACTUARIAL ASSUMPTIONS AND METHODS

B. Actuarial Methods

1. Asset Valuation Method:

The actuarial value of assets is determined in accordance with Section 3.16 of Revenue Procedure 2000-40 using a five-year smoothing period. Specifically, the actuarial value of assets as of January 1, 2006 is set equal to the market value of assets. For each subsequent plan year, the actuarial value shall be the market value minus a decreasing fraction (4/5, 3/5, 2/5, 1/5) of each gain or loss for each of the preceding four plan years except for 2008 market losses which are recognized at 10% a year due to funding relief. Gains or losses prior to January 1, 2006 are ignored.

The resulting actuarial value of assets is then limited to be no greater than 120% and no less than 80% of the market value of assets on the valuation date.

2. Funding Method: Entry Age Normal Cost Method

Under the entry age normal actuarial cost method the individual entry age normal cost is determined for each participant by calculating the level annual contribution required to fund that individual's expected benefits based on the current plan provisions over the participant's expected active working lifetime with the Fund at entry.

At the valuation date the present value of future normal cost is calculated for each individual participant by multiplying the entry age normal cost by the present value of the participant's expected future active working lifetime with the Fund. The cost for each participant is then summed to yield the present value of future normal costs. The excess of the present value of future benefits for all individuals at the valuation date over the present value of future normal costs is called the actuarial liability, or past service liability.

The excess, if any, of the actuarial liability over the actuarial value of assets is known as the unfunded accrued liability. If the actuarial value of assets exceeds the actuarial liability, the Fund may have a surplus.

3. PRA 2010 Funding Relief

The Fund's Board of Trustees elected funding relief under §431(b)(8) of the Code and §304(b)(8) of ERISA, specifically:

- The "special amortization rule," which allows the Plan's investment losses for the plan year ended December 31, 2008 be separately amortized over 29 years.
- The "special asset valuation rule" in determining the actuarial value of Plan assets which allows the Fund to recognize the 2008 investment loss over ten years, at 10% per year.
- The "special asset corridor" which allows the upper limit on the actuarial value of assets to be raised from 120% to 130% of market value of assets for plan years beginning January 1, 2009 and January 1, 2010.

4. Changes in Actuarial Methods Since Last Valuation

None