

ANNUAL FUNDING NOTICE FOR LOCAL UNION NO. 236 I.B.E.W. PENSION PLAN

INTRODUCTION

This notice, which federal law requires all multiemployer plans to send annually, includes important information about the funding level of the following Plan:

Local Union No. 236 I.B.E.W. Pension Plan
Plan Number: 001
EIN: 14-1490934

This notice also includes information about rules governing insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning July 1, 2007 and ending June 30, 2008.

PLAN'S FUNDING LEVEL

The Plan's "funded current liability percentage" for the Plan Year was 66.5%. In general, the higher the percentage, the better funded the plan. The funded current liability percentage, however, is not indicative of how well a plan will be funded in the future or if it terminates. Whether this percentage will increase or decrease over time depends on a number of factors, including how the plan's investments perform, what assumptions the plan makes about rates of return, whether employer contributions to the fund increase or decline, and whether benefits payments from the fund increase or decline.

PLAN'S FINANCIAL INFORMATION

The market value of the Plan's assets as of July 1, 2007 was \$113,503,414. The total amount of benefit payments for the Plan Year was \$7,194,856. The ratio of assets to benefit payments is 15.8. This ratio suggests that the Plan's assets could provide for approximately 15.8 years of benefit payments in annual amounts equal to what was paid out in the Plan Year. However, the ratio does not take into account future changes in total benefit payments or plan assets.

RULES GOVERNING INSOLVENT PLANS

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called "plan reorganization rules," a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

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WHAT FOLLOWS IS A SYNOPSIS OF THE ACTUAL STATUS OF THE PLAN AS OF 7/1/02007, WHICH IS WHAT APPLIES TO
THE 6/30/08 PLAN YEAR END.

CALCULATION OF PLAN'S FUNDING LEVEL IS MISLEADING

Please be aware that the Trustees believe the information set forth in the preceding Annual Funding Notice is not an accurate reflection of the Local Union No. 236 I.B.E.W. Pension Plan's (Local 236) actual funding status. Of particular note is the fact that the 66.5% "funded current liability percentage" figure in the section of the Notice entitled, "Plan's Funding Level," is misleading. In computing this figure, **IRS rules mandate that plans such as Local 236 use a very conservative 5.83% interest rate assumption (i.e., expected average annual investment return) and very general actuarial assumptions (mortality rates) that do not in many cases (such as here) match a particular plan's actual experience.**

If, however, the "funded current liability percentage" calculation **assumed a 7.50% estimated average** annual rate of return (which, according to the Local 236's investment advisors and actuaries is reasonable given its current asset mix) and mortality rates modeled on the Local 236 participants – figures the Local 236's actuaries actually use in accordance with federal law to prepare the actuarial valuation for the Local 236's Form 5500 annual report – the resulting figure would tell a starkly different story. **Use of these more realistic assumptions would result in a much healthier funded percentage of 87.8%.**

REMEMBER, PBGC ONLY BECOMES INVOLVED WERE THE PLAN TO BECOME INSOLVENT.

SRT certification: The Pension Plan is neither in Endangered nor Critical status for the plan year beginning July 1, 2008.

No further action is currently required under PPA 2006, however, if the economy continues to falter as it has, the status could change by 7/1/09.

Under federal pension law a plan generally will be considered to be in "endangered" status if, ***at the beginning of the plan year***, the funded percentage of the plan is ***less than 80 percent or in "critical" status if the percentage is less than 65 percent*** (other factors may also apply). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

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Please note: the PBGC steps in place only upon total failure of the Fund:

The employers bear primary responsibility for the maintenance of the plan. The only way the PBGC gets involved is if the plan becomes insolvent. A plan is insolvent if it can no longer pay the benefits that are due. Unless all of the employers who are signatory to the plan go bankrupt, the PBGC is not getting involved.

BENEFIT PAYMENTS GUARANTEED BY THE PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11.00 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33.00 of the accrual rate, times each year of service. The PBGC's maximum guarantee, therefore, is \$35.75 per month times a participant's years of service.

Example 1: If a participant with 10 years of service has an accrued monthly benefit of \$910.00, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($\$910.00/10$), which equals \$91.00. The guaranteed amount for a \$91.00 monthly accrual rate is equal to the sum of \$11.00 plus \$24.75 ($.75 \times \$33.00$), or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 ($\35.75×10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$141.90, the accrual rate for purposes of determining the guarantee would be \$14.19 (or $\$141.90/10$). The guaranteed amount for a \$14.19 monthly accrual rate is equal to the sum of \$11.00 plus \$2.39 ($.75 \times \$3.19$), or \$13.39, thus, the participant's guaranteed monthly benefit would be \$133.90 ($\13.39×10).

In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency. Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

For more information about the PBGC and multiemployer benefit guarantees, go to PBGC's website, www.pbtc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).