RESOLUTION OF ADOPTION OF
2014 UPDATED REHABILITAION PLAN FOR THE 32BJ NORTH PENSION FUND

Whereas, pursuant to Section 305(b)(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the 32BJ North Pension Fund ("Fund") was certified by its actuary to be in Critical Status, as that term is defined under ERISA Section 305(b)(1), for its Plan Year beginning January 1, 2014;

Whereas, the Board of Trustees is required to review the Rehabilitation Plan and attached Schedules each year and adopt updates as necessary to enable the Plan to emerge from Critical Status by the end of the Rehabilitation Period.

Now Therefore, this is to confirm that the Board of Trustees of the 32BJ North Pension Fund adopted the 2014 Updated Rehabilitation Plan attached hereto on June 18, 2014.

Date: 6/18/14	KYLE BRAGG
Date: 6/18/14	WILLIAM SCHUR
Date: 6/19/14	JUDITH PADOW
Date: 6/18/14	RICHARD BERGER

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2014 UPDATED REHABILITATION PLAN
FOR
32BJ NORTH PENSION FUND

I. Introduction

Under the Employee Retirement Income Security Act ("ERISA") as amended by the Pension Protection Act of 2006 ("PPA"), on March 31, 2009, the actuary of the 32BJ North Pension Fund ("Fund") initially certified that the Fund was in Critical Status for the Plan Year beginning January 1, 2009. On March 31, 2014, the actuary for the Fund certified that the Fund is in Critical Status for the Plan Year beginning January 1, 2014.

As required by law, the Board of Trustees sent a Notice of Critical Status to participants, beneficiaries, the bargaining parties, the Pension Benefit Guaranty Corporation and the Department of Labor, advising that the Plan is in critical status and employers participating in the Fund ("Employers") are obligated to pay a 10% contribution surcharge to the Fund, effective January 1, 2010 and will continue until the earlier of (1) the date the Fund emerges from Critical Status, or (2) the effective date of a collective bargaining agreement ("CBA") between the Employer and the Service Employees International Union Local 32BJ ("Union") that includes one of the schedules of this Rehabilitation Plan.

On August 24, 2009, the Fund submitted an election with the IRS to extend the 10 year Rehabilitation Period by an additional three years, as permitted under Section 205 of the Worker, Retiree and Employer Recovery Act of 2008. Under federal law, the Fund generally must emerge from Critical Status by the end of its 13-year Rehabilitation Period, as defined under ERISA. The Fund will be considered to have emerged from Critical Status when its actuary certifies that the Fund is not projected to have an accumulated funding deficiency for that Plan Year or any of the next nine Plan Years, using specified actuarial assumptions. The Fund's Rehabilitation Period is from January 1, 2012 to December 31, 2024.

This Rehabilitation Plan and the contribution and benefit Schedules included herein ("Schedules") are based on Fund information as of January 1, 2014 and updates to the prior Rehabilitation Plan. It is based on reasonable assumptions about how the Fund's assets and liabilities will change in the coming years, particularly as a result of changes in the Fund's investment returns, which are dependent on the financial markets. The Board of Trustees will review and update this Rehabilitation Plan each year as required by law. The Board of Trustees has the sole discretion to amend and construe this Rehabilitation Plan, including the Schedules.

The Fund's Board of Trustees amended its plan of benefits to provide that all contribution increases effective on or after June 15, 2009 will be applied solely to improve the funding status of the plan, and not to increase participant benefits. Consequently, no contribution increases required under this Rehabilitation Plan will increase the benefit accrual rates. Rather, such increases will be used solely to help the Fund emerge from Critical Status within the time period required by law.

II. Schedules

There are two (2) Schedules described in this Rehabilitation Plan, which will be provided to the Union and Employers no later than the thirtieth day after the Board of Trustees adopts this Rehabilitation Plan. The Trustees will send updated Schedules to the Union and the Employers, as required by law. Any reduction in benefits imposed under a Schedule of this Rehabilitation Plan shall commence consistent with applicable law.

1. **Employers that are Party to a CBA with the Union.** Any new CBA entered into by the Union and an Employer or any other agreement calling for participation in the Fund must reflect the terms of one of the most recently issued Schedules. If the Union and Employer cannot reach an agreement as to the Schedule that will apply to the Employer's participating Employees (including any non-bargaining unit participating Employees of the Employer), the Default Schedule will become effective as of the date required by law.

2. **Employers that are not Party to a CBA with the Union.** In the case of an Employer that contributes to the Fund only on behalf of non-bargained Employees, the Participation Agreement between the Employer and the Fund will be treated as a collective bargaining agreement with a term ending on the first day of the Plan Year after the Employer is provided the Rehabilitation Plan.

3. **New CBAs or Participation Agreements first providing for participation in the Fund.** For a first CBA or Participation Agreement ("Agreement") providing for participation in the Fund by an Employer for any of its employees after June 10, 2010, the Employer ("New Employer") shall be required to contribute at the rate specified in the Agreement. The benefit accrual rate for participants employed by a New Employer shall be based on the deemed rate at which the New Employer would have been obligated to contribute on June 15, 2009, had the New Employer participated in the Fund on that date, based on the Preferred Schedule. Such deemed rate shall be determined by subtracting the percentage increases under the Preferred Schedule of this Rehabilitation Plan applicable to other employers from the rate agreed to by the New Employer in the Agreement, to determine the contribution rate that would have been payable on June 15, 2009 in the absence of such percentage increases.

4. **Retroactive Implementation of Schedule**. If an Employer retroactively adopts a CBA that incorporates a Schedule of the Rehabilitation Plan, the Employer will be credited for any surcharges paid during the retroactive period of the CBA.

5. **Conversion of Contribution Rates.** In the case of an Employer's contribution rate being changed from a monthly contribution rate to an hourly rate, or vice versa, a month shall be considered to consist of 173.33 hours.

6. **Employers that have Adopted a Rehabilitation Plan Schedule**. Once an Employer and the Union have agreed to a collective bargaining agreement consistent with a Schedule of this Rehabilitation Plan, the bargaining parties are required to adopt the same Schedule, as may be amended from time to time, in successor collective bargaining agreements for as long as the Employer remains a contributing employer to the Fund. If the bargaining

parties fail to agree to a collective bargaining agreement consistent with this paragraph within nine (9) months of the date the prior CBA expired, the Employer's participation in the Fund will terminate on the last day of the ninth month after expiration, unless the Trustees determine, in their sole and absolute discretion, that the bargaining parties should be given additional time to agree to a successor CBA.

A. PREFERRED SCHEDULE

1. General Description. The Preferred Schedule contains the contribution increases that will be necessary for the Fund to emerge from Critical Status by the end of the Rehabilitation Period, assuming the current level of benefits continue in effect. This Schedule provides for no change in the benefit formula or payment options in effect under the Plan of benefits ("Plan").

2. Contributions. Contribution rates will increase as follows:

i. Prior to April 1, 2015, the contribution rate will be the contribution rate required under the prior Rehabilitation Plan.

ii. Effective April 1, 2015, the contribution rate will increase by 7% over the rate in effect on March 31, 2015.

iii. Effective April 1, 2016, the contribution rate will increase by 7% over the rate in effect on March 31, 2016.

iv. Effective April 1, 2017, the contribution rate will increase by 7% over the rate in effect on March 31, 2017.

v. Effective April 1, 2018, the contribution rate will increase by 7% over the rate in effect on March 31, 2018.

vi. Effective April 1, 2019, the contribution rate will increase by 7% over the rate in effect on March 31, 2019.

vii. Effective April 1, 2020, the contribution rate will increase by 7% over the rate in effect on March 31, 2020.

viii. Effective April 1, 2021, the contribution rate will increase by 7% over the rate in effect on March 31, 2021.

ix. Effective April 1, 2022, the contribution rate will increase by 7% over the rate in effect on March 31, 2022.

x. Effective April 1, 2023, the contribution rate will increase by 7% over the rate in effect on March 31, 2023.

xi. Effective April 1, 2024, the contribution rate will increase by 7% over the rate in effect on March 31, 2024.

3. **Benefits.** Benefit accruals will reflect the accrual rate in the Plan based on the contribution rate in effect on June 15, 2009 under the CBA. There will be no reduction in adjustable benefits.

C. DEFAULT SCHEDULE

1. **General Description.** As required under ERISA, this Rehabilitation Plan must include a Default Schedule that eliminates adjustable benefits not protected under Section 411(d)(6) of the Code and reduces the rate of future benefit accruals necessary for the Fund to emerge from Critical Status by the end of the Rehabilitation Period, but to no less than 1% of annual contributions required on behalf of each participant. The Default Schedule will apply to employees covered by an expired CBA if (1) the Union and Employer adopt the Default Schedule in the first CBA expiring after their CBA in effect when the Fund was initially certified to be in critical status expired and continue to adopt it in subsequent CBAs; or (2) the Union and Employer do not adopt an alternative Schedule of this Rehabilitation Plan by the first day of the month following 180 days after the date on which their CBA in effect when the Fund was initially certified to be in critical status expired.

2. **Contributions.** Since a reduction in future benefit accruals and adjustable benefits to the maximum extent permitted by law will be insufficient for the Plan to emerge from Critical Status by the end of the Rehabilitation Period, contribution rates will increase as follows:

i. Prior to April 1, 2015, the contribution rate will be the contribution rate required under the prior Rehabilitation Plan.

ii. Effective April 1, 2015, the contribution rate will increase by 4% over the rate in effect on March 31, 2015.

iii. Effective April 1, 2016, the contribution rate will increase by 4% over the rate in effect on March 31, 2016.

iv. Effective April 1, 2017, the contribution rate will increase by 4% over the rate in effect on March 31, 2017.

v. Effective April 1, 2018, the contribution rate will increase by 4% over the rate in effect on March 31, 2018.

vi. Effective April 1, 2019, the contribution rate will increase by 4% over the rate in effect on March 31, 2019.

vii. Effective April 1, 2020, the contribution rate will increase by 4% over the rate in effect on March 31, 2020.

viii. Effective April 1, 2021, the contribution rate will increase by 4% over the rate in effect on March 31, 2021.

ix. Effective April 1, 2022, the contribution rate will increase by 4% over the rate in effect on March 31, 2022.

x. Effective April 1, 2023, the contribution rate will increase by 4% over the rate in effect on March 31, 2023.

xi. Effective April 1, 2024, the contribution rate will increase by 4% over the rate in effect on March 31, 2024.

If the Default Schedule is imposed by operation of law pursuant to Section 432 of the Internal Revenue Code, the effective date of the first contribution increase will be first day of the month following 180 days after the date on which the Employer's CBA expires, or as otherwise permitted by applicable law. The amount of the first contribution increase will be actuarially adjusted to a rate that is actuarially equivalent to that which the Employer would have contributed under this Schedule had its contribution increase become effective on the first day of the month after its CBA expired.

3. **Benefits.** Effective on the earliest date permitted by applicable law, benefit accruals will reflect the accrual rate in the Plan, substituting $3.36 for $6, and based on the contribution rate that was in effect on June 15, 2009 under the CBA. Effective on the earliest date permitted by applicable law, the post-retirement death benefit will be eliminated since it is an adjustable benefit that is not protected under Section 411(d)(6) of the Code.

III. Annual Standards for Evaluation of the Rehabilitation Plan

Based on reasonable assumptions, the Pension Fund is expected to emerge from Critical or Red Zone status in the Plan Year beginning January 1, 2025. The Trustees recognize the possibility that actual experience could be less or more favorable than the reasonable assumptions and the need to update, and change if necessary, the Rehabilitation Plan on an annual basis. Therefore, the Trustees are establishing the following annual standards:

Plan Year Ended December 31,	**Credit Balance/(Funding Deficiency) No Less than the Following ($ Millions)**
2014	$-20
2015	-27
2016	-34
2017	-41
2018	-42
2019	-42
2020	-40
2021	-36

2022	-30
2023	-20
2024	-10

IV. Actions to be Taken by the Board of Trustees

The Fund's Board of Trustees will review the Fund's Rehabilitation Plan, including the Schedules, and will review and update the Rehabilitation Plan each year as required by law. In addition, the Board of Trustees will consider all options available to the Fund, including but not limited to, obtaining an amortization period extension under Section 431(d) of the Internal Revenue Code and reducing Fund expenditures, which may assist the Fund in emerging from Critical Status.