

**APPLICATION FOR APPROVAL OF BENEFIT SUSPENSION FOR
PLASTERERS & CEMENT MASONS LOCAL NO. 94 PENSION FUND
EIN/PN: 23-6445411 / 001**

**Exhibit 7.06a
Plan Document with Plan Amendments (Checklist Item #37)**

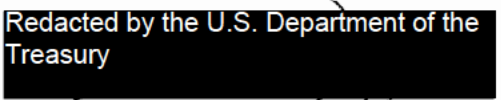
11.03 Automatic Employer Surcharge. In accordance with Code Section 432(e), while a Plan is certified by the Actuary to be in Critical Status, each Covered Employer obligated to make Plan contributions will be required to pay a surcharge, equal to a percentage of the contributions otherwise required, starting in the initial critical year no later than 30 days after receiving notification of Critical Status, and for each succeeding Plan Year. The surcharge will cease to apply to any Employer once its Collective Bargaining Agreement is amended to comply with the Funding Improvement Plan or Rehabilitation Plan.

11.04 Notification. In accordance with the annual certification by the Actuary, pursuant to Code Section 432(b)(3), proper notification of the Endangered Status or Critical Status for a Plan Year will be provided to the Participants and Beneficiaries, the Board of Trustees, labor organizations representing Participants, the Pension Benefit Guaranty Corporation and the Secretary of Labor no later than 30 days after such actuarial certification. The Board of Trustees will also provide notification to the Participants, Beneficiaries, Covered Employers, and the labor organizations representing Participants no later than 30 days prior to the effective date of the reduction of any adjustable benefits, as defined in Code Section 432(e)(8) and referenced in Section 9.1 of the Plan.

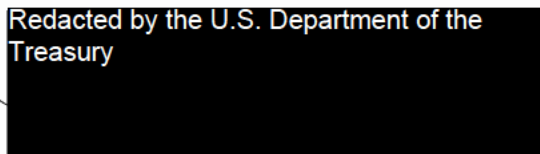
11.05 Definitions. For purposes of this Article XIV, the terms Endangered Status, Critical Status, Rehabilitation Plan, Funding Improvement Plan, Rehabilitation Period, and Funding Improvement Period, shall have the meanings ascribed to them in Code Section 432.

IN WITNESS WHEREOF, the undersigned do hereby set their hands and seals the day and year first above written:

LOCAL NO. 592 OF THE OPERATIVE PLASTERERS AND CEMENT MASONS:

By 
William Ousey, President

KEYSTONE CONTRACTORS ASSOCIATION:


By Terrence McDonough, U
Executive Director

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**PLASTERERS AND CEMENT MASONS LOCAL NO. 94 PENSION FUND
ACTUARIAL EQUIVALENCE FACTORS
FOR MONTHLY PENSION OPTIONS**

(Normal Form: Employee-Only) (Life Only)

| <u>Participant Retirement Age (NBD)</u> | <u>5 Yr. Guar.</u> | <u>10 Yr. Guar.</u> | <u>Husband & Wife</u> | <u>Husband & 75% Wife</u> | <u>Husband & 100% Wife</u> |
|---|--------------------|---------------------|---------------------------|-------------------------------|--------------------------------|
| 70+ | .9500 | .8750 | .9000 | .8500 | .8000 |
| 69 | .9550 | .8850 | .9025 | .8540 | .8050 |
| 68 | .9600 | .8950 | .9050 | .8580 | .8100 |
| 67 | .9650 | .9050 | .9075 | .8620 | .8150 |
| 66 | .9700 | .9150 | .9100 | .8660 | .8200 |
| 65 | .9750 | .9250 | .9125 | .8700 | .8250 |
| 64 | .9775 | .9300 | .9150 | .8740 | .8300 |
| 63 | .9800 | .9350 | .9175 | .8780 | .8350 |
| 62 | .9825 | .9400 | .9200 | .8820 | .8400 |
| 61 | .9850 | .9450 | .9225 | .8860 | .8450 |
| 60 | .9875 | .9500 | .9250 | .8900 | .8500 |
| 59 | .9900 | .9550 | .9275 | .8940 | .8550 |
| 58 | .9900 | .9600 | .9300 | .8980 | .8600 |
| 57 | .9900 | .9650 | .9325 | .9020 | .8650 |
| 56 | .9900 | .9700 | .9350 | .9060 | .8700 |
| 55 or younger | .9900 | .9750 | .9375 | .9100 | .8750 |

| | | | |
|---|-------|-------|-------|
| Adjustments to J&S for Age Difference of Participant & Survivor: (Add for each whole year survivor is older) (Subtract for each year survivor is younger) | .0050 | .0060 | .0075 |
|---|-------|-------|-------|

| | | | | | |
|----------------|-------|-------|-------|-------|-------|
| Maximum Factor | .9900 | .9750 | .9750 | .9625 | .9500 |
| Minimum Factor | .9500 | .8750 | .8000 | .7500 | .7000 |

ACTUARIAL EQUIVALENCE ASSUMPTIONS FOR LUMP-SUM PAYMENTS

The lump-sum value of a participant's monthly pension shall be actuarially computed on the basis of the applicable interest rate, as that term is defined in IRC Section 417(e)(3)(A)(ii)(II), and the applicable Mortality Table, as that term is defined in IRC Section 417(e)(3)(A)(ii)(I). The stability period is the Plan Year, and the Lookback Month is the second full calendar month preceding the Plan Year.

APPENDIX B

PLASTERERS AND CEMENT MASONS LOCAL NO. 94 PENSION FUND

In order to be eligible for one of the following rates of benefits, a Participant's benefits must commence after one of the following effective dates and before the next effective date. The benefit paid the Participant will be based on that rate in effect between the two effective dates unless there is a specific provision for a subsequent increase in the benefit rate. In the case of survivor benefits, the rate is governed by that rate which was effective at the time the Covered Employee's benefits commenced rather than the date on which the surviving Eligible Spouse's or Beneficiary's benefits commenced.

To qualify for any of the levels of benefits set out below, a Participant must have actually worked in Covered Employment and accumulated the required Hours of Covered Employment between the time a new level of benefits was put into effect and the time a higher level of benefits was later put into effect; i.e., if a level of benefits requires a minimum number of Hours of Covered Employment for qualification, the Participant must have actually worked and earned those hours between the two dates.

1. Effective May 1, 1967, for those who accumulated 750 hours or more of Credited Service after May 1, 1967:

a. Normal Pension and Disability Pension, \$1.34 per month per year of Credited Service with a maximum of 30 years.

2. Effective May 1, 1968, for those who accumulated 750 hours or more of Credited Service after May 1, 1967:

a. Normal Pension and Disability Pension, \$2.26 per month per year of Credited Service with a maximum of 30 years.

3. Effective May 1, 1972, for those who accumulated 600 hours or more of Credited Service after May 1, 1971:

a. Normal Pension, Disability Pension and Widow's death benefit, \$4.20 per month per year of Credited Service with a maximum of 30 years.

4. Effective May 1, 1975:

a. Normal Pension and Disability Pension, \$5.86 per month per year of Credited Service with a maximum of 30 years.

b. Pensioners are to receive their pensions at the same rate.

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c. Widow's death benefit, \$4.20 per month per year of Credited Service with a maximum of 30 years.

5. Effective May 1, 1982, the amount of the monthly Employee-Only Pension benefits shall be the total of:

a. \$9.30 for each year of Credited Service prior to April 30, 1982, and

b. \$13.00 for each year of Credited Service after May 1, 1982, with a maximum of 30 years of Credited Service.

6. Effective January 1, 1984, the amount of the monthly Employee-Only Pension benefits shall be the total of:

a. \$9.30 for each year of Credited Service prior to April 30, 1982, and

b. \$18.62 for each year of Credited Service after April 30, 1982, with a maximum of 30 years of Credited Service.

7. Effective May 1, 1984, for those who work and earn 300 hours of Credited Service after May 1, 1984, the amount of the monthly Employee-Only Pension benefits shall be the total of:

a. \$9.30 for each year of Credited Service prior to April 30, 1982, and

b. \$20.85 for each year of Credited Service after April 30, 1982, with a maximum of thirty year of Credited Service.

8. Effective May 1, 1986, for those who retire after that date who work and earn 300 hours of Credited Service after January 1, 1986, the amount of the monthly Employee-Only Pension benefit shall be the total of:

a. \$10.00 per month per year of Credited Service prior to May 1, 1982, and

b. \$40.00 per month per year of Credited Service after April 30, 1982, with a maximum of 30 years of Credited Service.

9. Effective May 1, 1988, for those who retire after that date who work and earn 300 hours of Credited Service after January 1, 1988, the amount of the monthly Employee-Only Pension benefit shall be the total of:

a. \$10.00 per month per year of Credited Service prior to May 1, 1982, and

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b. \$45.00 per month per year of Credited Service after April 30, 1982, with a maximum of 35 years of Credited Service.

10. Effective May 1, 1992, for those who retire after that date who work and earn 300 hours of Credited Service after May 1, 1991, the amount of the monthly Employee-Only Pension benefit shall be the total of:

a. \$10.00 per month per year of Credited Service prior to May 1, 1982, and

b. \$47.50 per month per year of Credited Service after April 30, 1982, with a maximum of 35 years of Credited Service.

11. Effective May 1, 1993, for those who retire after that date who work and earn 300 hours of Credited Service after that date, the amount of the monthly Employee Only Pension benefit shall be the total of:

a. \$10.00 per month per year of Credited Service prior to May 1, 1982, and

b. \$50.00 per month per year of Credited Service after April 30, 1982, with a maximum of 35 years of Credited Service.

12. Effective May 1, 1994, the amount of the monthly Employee-Only Pension Benefit for Participants retiring after that date having earned 300 Hours of Covered Employment after May 1, 1993, shall be the total of:

a. \$10.00 for each year of Credited Service prior to May 1, 1982, and

b. \$55.00 for each year of Credited Service after April 30, 1982, with a maximum of 35 years of Credited Service.

13. Effective May 1, 1995, the amount of the monthly Employee-Only Pension Benefit for Participants retiring after that date having earned 300 Hours of Covered Employment after May 1, 1995, shall be the total of:

a. \$10.00 for each year of Credited Service prior to May 1, 1982, and

b. \$60.00 for each year of Credited Service after April 30, 1982, with a maximum of 35 years of Credited Service.

14. Effective January 1, 1998, the amount of the monthly Employee-Only Pension Benefit for Active Participants retiring on or after January 1, 1998, shall be the total of:

a. \$10.00 for each year of Credited Service prior to May 1, 1982, and

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- b. \$68.00 for each year of Credited Service after April 30, 1982.

15. Each Pensioner and beneficiary of a Pensioner who is receiving benefits as of March 1, 1999, shall be entitled to a one-time supplemental benefit payment of \$350.00.

16. Effective January 1, 2000, the amount of the monthly Employee-Only Pension Benefit for Active Participants retiring on or after January 1, 2000, shall be the total of:

- a. \$10.00 for each year of Credited Service prior to May 1, 1982, and
- b. \$75.50 for each year of Credited Service after April 30, 1982.

17. Effective March 1, 2001, the amount of the monthly Employee-Only Pension Benefit for Active Participants retiring on or after May 1, 2000, shall be the total of:

- a. \$10.00 for each year of Credited Service prior to May 1, 1982, and
- b. \$77.50 for each year of Credited Service after April 30, 1982.

18. Participants who were Pensioners as of April 30, 2000, shall receive a benefit payment of \$450.00.

19. Effective May 1, 2013, the amount of the monthly Employee-Only Pension Benefit for Active Participants retiring on or after May 1, 2013, shall be the total of:

- a. \$10.00 for each year of Credited Service prior to May 1, 1982, and
- b. \$77.50 for each year of Credited Service after April 30, 1982; and
- c. \$33.00 for each year of Credited Service after May 1, 2013.

APPENDIX C

PLASTERERS AND CEMENT MASONS LOCAL NO. 94 PENSION FUND FUNDING IMPROVEMENT PLAN(S) AND/OR REHABILITATION PLAN(S)

NO-ACTION FUNDING IMPROVEMENT PLAN OF THE PLASTERERS AND CEMENT MASONS LOCAL NO. 94 PENSION FUND

To: Local No. 592 of the Operative Plasterers and Cement Masons and the Keystone Contractors Association

On August 22, 2008, the Board of Trustees of the Plasterers and Cement Masons Local No. 94 Pension Fund sent to you the Fund's Notice of Endangered Status.

In the Notice you were informed that, as a result of action taken by you in the form of providing for an increased rate of contributions to the Fund under the collective bargaining agreement between Local No. 592 of the Operative Plasterers and Cement Masons and the Keystone Contractors Association effective May 1, 2008, the Fund's actuary has determined that the Fund has effectively adopted a No-Action Funding Improvement Plan that satisfies the requirements of the Pension Protection Act of 2006. As a result of the increase in the amount of contributions to the Fund, the funding level of the Fund during the Funding Improvement Period is estimated to increase from its current funding percentage of 76% to 98%.

As required by the Pension Protection Act, the Board of Trustees and the Fund's actuary must continue to review the Fund's funding status. The Fund's funding status must be reviewed and certified by the actuary annually, and notices must be provided to you each year while the Fund is in Endangered Status.

It is important to keep in mind that there are several variables beyond the control of the Board of Trustees that the Fund's advisors are monitoring—including investment market volatility, and changes in employment levels and/or the number of contributing employers—which could affect the Fund's future funding status and the Board of Trustees' recommended corrective actions in the future. Depending on what occurs with respect to these variables, the Board of Trustees may be required to take some additional action in order to maintain the Funding Improvement Plan.

NOTICE OF ELECTION TO FREEZE THE PLASTERERS AND CEMENT MASONS LOCAL NO. 94 PENSION FUND'S FUNDING STATUS FOR THE FUND'S 2009 PLAN YEAR

To: All Participants, Union, Contributing Employers, Pension Benefit Guaranty Corporation (PBGC), and United States Department of Labor (DOL)

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This Notice is to inform you that on May 28, 2009, the Board of Trustees of the Plasterers and Cement Masons Local No. 94 Pension Fund (the "Fund") elected to freeze the Fund's funding status, as permitted by Section 204(a) of the Worker, Retiree and Employer Recovery Act of 2008 ("WRERA") for the Plan Year beginning on May 1, 2009. WRERA requires the Board of Trustees of the Fund to provide notice of this election to the Participants, Union, PBGC and DOL.

Under guidance provided by the Secretary of the Treasury through the Internal Revenue Service, the Fund is required to provide you with the following information relating to the Board of Trustees' decision to freeze the Fund's funding status:

- (a) Name: Plasterers and Cement Masons Local No. 94 Pension Fund
EIN: 23-6445411
Plan No.: 001
- (b) The election has been made under Section 204 of WRERA to treat the Fund as being endangered for the Plan Year beginning on May 1, 2009.
- (c) The Fund's actuary, based on the funding requirements of the Internal Revenue Code, as amended by the Pension Protection Act of 2006, certified to the Fund's Board of Trustees that the Fund's funding status for the Plan Year beginning May 1, 2009 is endangered.
- (d) This election only applies to the Plan Year beginning May 1, 2009, and does not apply to any future Plan Years.

If the Fund's actuary certifies that the Fund is in endangered or critical status for the Plan Year following this election year, the Board of Trustees will provide notice of the Fund's status—*i.e.*, whether it is endangered or critical—for the following year, and the steps that will be taken to improve the Fund's funding status, which steps may include increases in contributions and reductions in future benefit accruals.

- (e) If the Fund is certified to be in critical status for the Plan Year following this election year, the steps that will have to be taken to improve the Fund's funding status will include a surcharge on employer contributions after notice is provided of the Fund's critical status, and may include amendments to the Fund's Plan of Benefits to reduce early retirement benefits or any other adjustable benefits for Fund Participants.
- (f) For more information about this Notice, you may contact the Fund's Contract Administrator, D. H. Evans Associates, Inc., 2207 Forest Hills Drive, Suite 14, P. O. Box 6480, Harrisburg, PA, 17112; Phone: (717) 671-8551, Toll Free: 1-800-636-7632.
- (g) Since receiving the certification from the Fund's actuary, the Board of Trustees of the Fund have begun a comprehensive review of the Fund's funding status in consultation with the Fund's actuary for purposes of determining what action can be taken during this

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current freeze Plan Year to improve the Fund's funding status. Rest assured that the Board of Trustees remain committed to operating the Fund on a financially sound basis while meeting all federally mandated requirements. Furthermore, the Board of Trustees intend to continue their commitment to provide all Participants with Pension benefits which will give them an ability to obtain a secure financial future.

PLASTERERS AND CEMENT MASONS LOCAL NO. 94 PENSION FUND

REHABILITATION PLAN

I. INTRODUCTION

The Pension Protection Act of 2006 ("PPA") requires the Board of Trustees of a multiemployer pension plan that has been certified by its actuary as being in critical status to develop a Rehabilitation Plan that is intended to enable the plan to emerge from critical status by the end of the Rehabilitation Period.

On July 27, 2010, the Plasterers and Cement Masons Local No. 94 Pension Fund ("the Fund") was certified by its actuaries to be in "Critical Status" as defined by the PPA for the Plan Year beginning on May 1, 2010. Therefore, the Board of Trustees of the Fund (the "Board" or the "Trustees"), as the plan sponsor, is required to adopt and implement a Rehabilitation Plan (the "Plan") no later than March 27, 2011. The Rehabilitation Plan described below was adopted March 25, 2011. The Rehabilitation Plan amends the Plan of Benefits of the Fund in order to comply with the requirements of the PPA.

Based on the Fund's reasonably anticipated experience and actuarial assumptions, the Rehabilitation Plan sets forth revised contribution and benefit structures (the "Schedules") which, if adopted by the Fund's Contributing Employers, Local Unions or other parties obligated under agreements to participate in the Fund ("the Bargaining Parties"), may reasonably be expected to enable the Fund to emerge from Critical Status by the end of the ten-year Rehabilitation Period as defined by the PPA (or other time period permitted by any subsequent legislation or regulation). The required schedules are the "Preferred Schedule," the "Default Schedule" and the two "Alternative Schedules." The Default Schedule will be automatically imposed for Bargaining Parties who fail to adopt the Preferred Schedule or one of the two Alternative Schedules. All benefit adjustments are subject to ERISA's notice requirements.

An Automatic Surcharge of 5% during the initial year of the Plan and 10% in subsequent years shall be imposed upon any employer who fails to adopt a collective bargaining agreement consistent with either the Preferred, Default or Alternative Schedules as required by the Rehabilitation Plan. If the Default Schedule is imposed, a surcharge will be assessed consistent with the PPA.

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The Board has the sole and absolute power, authority and discretion to amend, construe and apply the provisions of this Rehabilitation Plan including the Schedules. Unless otherwise indicated, all capitalized terms used in these Schedules shall have the definitions and meanings assigned to them in the Fund's Rules and Regulations.

II. EFFECTIVE DATES

This Plan was adopted on March 25, 2011. The schedule of benefits and contribution rate requirements described in this Plan apply to Participants covered under collective bargaining agreements and participation agreements that are renewed or extended after March 25, 2011.

Pursuant to the PPA, the Trustees must review the Plan on an annual basis and may update the Plan to reflect future investment market conditions, participation levels in the Fund, percentage of Participants covered under the Preferred Schedule, legislative or regulatory action with respect to PPA compliance and other factors that may have a material impact on such future Rehabilitation Plan. Therefore, collective bargaining agreements and participation agreements that are renewed or extended after March 25, 2011 will be subject to the Plan as amended at the time of such renewal or extension.

III. SCHEDULES OF CONTRIBUTION AND BENEFIT LEVELS

The Board of Trustees of the Fund mandates the following Preferred, Default and Alternative Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund. Subject to the sole discretion of the Trustees, a schedule is deemed adopted when the Trustees determine that a collective bargaining agreement ("CBA") or other agreement requiring contributions to the Fund includes terms consistent with the requirements of a Schedule in the Rehabilitation Plan.

1. DEFAULT SCHEDULE

Under the Default Schedule, since under Section 432(e)(5) of the Internal Revenue Code benefit accruals under the Default Schedule may not be reduced below a monthly benefit payable as a single life annuity commencing at Normal Retirement Age equal to one (1%) percent of the contributions required to be made on behalf of a Participant, or, the accrual applicable to the Participant on the first day of the initial critical Plan Year, the Default Schedule does not contain any reduction or elimination of benefits, but only contains an increase in the hourly contribution rate.

The changes described in the Default Schedule will be implemented upon the *earlier of*:

- a. the effective date of a collective bargaining agreement that adopts a contribution schedule that contains terms consistent with this Default Schedule, or
- b. 180 days after the expiration date of a collective bargaining agreement providing for contributions under the Plan that was in effect on March 25, 2011, if by such

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date the Bargaining Parties have failed to adopt a contribution schedule that contains terms consistent with this Default Schedule, the Preferred Schedule or the Alternative Schedule.

This date is referred to below as the "Default Schedule Implementation Date."

Once the Default Schedule is implemented with respect to a particular employer (and its employees), the Trustees shall only accept a subsequent collective bargaining agreement covering such bargaining unit employees that contains terms consistent with the Preferred Schedule or an Alternative Schedule then in effect. The benefits of participants that are subject to the Default Schedule may be restored to the extent provided in the Preferred Schedule or an Alternative Schedule, if they later become subject to such Schedule.

Employers to whom the Default Schedule does not apply remain subject to the surcharges imposed under the PPA until such time as they adopt provisions in their collective bargaining agreements that contain terms consistent with this Default Schedule, or are party to a collective bargaining agreement that contains provisions consistent with the Preferred Schedule or an Alternative Schedule.

Reduction in Rate of Future Benefit Accruals

Because of the limitations imposed by Section 432(e)(5) of the Internal Revenue Code, the Default Schedule does not contain any reduction in the rate of future benefit accruals.

Reduction or Elimination of Adjustable Benefits

Because of the limitations imposed by Section 432(e)(5) of the Internal Revenue Code, the Default Schedule does not contain any reduction and/or elimination of adjustable benefits.

Contribution Increase

The Default Schedule requires an increase in employer contributions from the present rate of \$8.10 per hour to \$15.15 per hour.

2. PREFERRED SCHEDULE

The changes described in this Preferred Schedule will be implemented on the effective date of a collective bargaining agreement that adopts a contribution schedule that contains terms consistent with this Preferred Schedule. This date is referred to below as the "Preferred Schedule Effective Date."

Employers to whom the Preferred Schedule does not apply remain subject to the surcharges imposed under the PPA until such time as they are party to a collective bargaining agreement that

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contains terms consistent with such Preferred Schedule, an Alternative Schedule, or they become subject to the Default Schedule.

Reduction in Rate of Future Benefit Accruals

There will be no reduction in the rate of future benefit accruals of any Covered Employee whose employer is subject to the Preferred Schedule.

Reduction and/or Elimination of Adjustable Benefits

The Preferred Schedule requires the elimination of the following benefits: Five-year guarantee option; ten-year guarantee option; pop-up husband-wife pension; husband-wife 75% pension; husband-wife 100% pension; disability benefits (if not yet in pay status); subsidized early retirement pension; and subsidized qualified pre-retirement survivor annuity. The reduction and/or elimination of adjustable benefits described in this Preferred Schedule shall be effective as of and implemented on the Preferred Schedule Effective Date.

Contribution Increase

The Default Schedule requires an increase in employer contributions from the present rate of \$8.10 per hour to \$14.00 per hour.

3. ALTERNATIVE SCHEDULE ONE

The changes described in this Alternative Schedule will take effect upon the effective date of a collective bargaining agreement that contains terms that are consistent with this Alternative Schedule One.

Employers to whom the Alternative Schedule One does not apply remain subject to the surcharges imposed under the PPA until such time as they are party to a collective bargaining agreement that contains terms consistent with such Alternative Schedule One, the Preferred Schedule, Alternative Schedule Two, or they become subject to the Default Schedule.

Future Benefit Accruals

The future benefit accruals of any employee whose employer is subject to the Alternative Schedule One will be reduced from \$77.50 to \$10.00 per year of Credited Future Service.

Reduction or Elimination of Adjustable Benefits

The Preferred Schedule requires the elimination of the following benefits: Five-year guarantee option; ten-year guarantee option; pop-up husband-wife pension; husband-wife 75% pension; husband-wife 100% pension; disability benefits (if not yet in pay status); subsidized early retirement pension; and subsidized qualified pre-retirement survivor annuity. The reduction and/or

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elimination of adjustable benefits described in this Preferred Schedule shall be effective as of and implemented on the Preferred Schedule Effective Date.

Contribution Increase

The Default Schedule requires an increase in employer contributions from the present rate of \$8.10 per hour to \$11.75 per hour.

4. ALTERNATIVE SCHEDULE TWO

The changes described in this Alternative Schedule Two will take effect upon the effective date of a collective bargaining agreement that contains terms that are consistent with this Alternative Schedule.

Employers to whom the Alternative Schedule Two does not apply remain subject to the surcharges imposed under the PPA until such time as they are party to a collective bargaining agreement that contains terms consistent with such Alternative Schedule Two, the Preferred Schedule, Alternative Schedule One, or they become subject to the Default Schedule.

Future Benefit Accruals

The future benefit accruals of any employee whose employer is subject to the Alternative Schedule Two will be reduced from \$77.50 to \$0.00.

Reduction or Elimination of Adjustable Benefits

The Preferred Schedule requires the elimination of the following benefits: Five-year guarantee option; ten-year guarantee option; pop-up husband-wife pension; husband-wife 75% pension; husband-wife 100% pension; disability benefits (if not yet in pay status); subsidized early retirement pension; and subsidized qualified pre-retirement survivor annuity. The reduction and/or elimination of adjustable benefits described in this Preferred Schedule shall be effective as of and implemented on the Preferred Schedule Effective Date.

Contribution Increase

The Default Schedule requires an increase in employer contributions from the present rate of \$8.10 per hour to \$11.25 per hour.

Non-Collectively Bargained Participants Under the Rehabilitation Plan

In the case of an employer that contributes to the Plan on behalf of collectively bargained *and* non-collectively bargained participants, the contributions for, and the benefits provided to, the non-collectively bargained employees, including surcharges on those contributions, shall be de-

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terminated as if those non-collectively participants were covered under such employer's *first to expire* collective bargaining agreement that was in effect when the Plan entered critical status.

Annual Standards and Updating of Rehabilitation Plan

Pursuant to the PPA, the Plan has adopted the following procedures:

The Plan's actuary shall conduct an annual review of the Rehabilitation Plan and the schedules thereto.

The Plan's actuary shall report to the Trustees the results of its annual review.

In consultation with the Plan's actuary, the Trustees shall update annually the Rehabilitation Plan and the contribution rates contained in its Schedules to reflect the experience of the Plan.

Notwithstanding the foregoing, schedules of contribution rates provided by the Trustees and relied upon by Bargaining Parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement. Collective bargaining agreements that are entered, renewed or extended after the date of any changes to the Rehabilitation Plan will be subject to the Rehabilitation Plan then in effect at the time of such entry, renewal or extension.

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AMENDED REHABILITATION PLAN

I. INTRODUCTION

The Pension Protection Act of 2006 ("PPA") requires the Board of Trustees of a multiemployer pension plan that has been certified by its actuary as being in critical status to develop a Rehabilitation Plan that is intended to enable the plan to emerge from critical status by the end of the Rehabilitation Period.

In response to the Critical Status Certification, the Board of Trustees of the Plasterers and Cement Masons Local No. 94 Pension Fund ("the Fund") adopted a Rehabilitation Plan on March 25, 2011 to comply with the requirements of the PPA. The Rehabilitation Plan was designed so that the Fund could emerge from critical status within the 10 year statutory period provided for by the PPA.

Since the Fund's Rehabilitation Plan was adopted, the economic conditions in the building and construction trades have not improved and in fact have continued to decline. Additionally, the world investment markets have not improved. In an effort to offset the impact of the decline in

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the economy and investment markets, the Board of Trustees of the Fund, on May 31, 2011, elected to adopt certain funding relief available to the Fund under the Pension Relief Act of 2010. Although the relief obtained from the Pension Relief act of 2010 did help to improve the Fund's funding status, this improvement has not been sufficient to allow the Fund to be projected to emerge from critical status within the 10 year statutory period anticipated by the initial Rehabilitation Plan. On July 20, 2011, the Fund's Actuary issued a certification that the Fund would continue in critical status for the Plan Year beginning May 1, 2011.

A Rehabilitation Plan must meet the following tests.

- A rehabilitation plan consists of actions, including options or a range of options to be proposed to the bargaining parties, formulated, based on reasonably anticipated experience and reasonable actuarial assumptions, to enable the plan to cease to be in critical status by the end of the rehabilitation period. A rehabilitation plan must provide one or more schedules for the bargaining parties revised benefit structures, revised contribution structures, or both, that may reasonably be expected to bring the plan out of critical status, and annual standards for meeting the requirements of the rehabilitation plan.
- If the plan cannot reasonably be expected to emerge from critical status by the end of the rehabilitation period, the Trustees must specify reasonable measures to emerge from critical status at a later time or to forestall possible insolvency. A plan of this variety must set forth the alternatives considered, explain why the plan is not reasonably expected to emerge from critical status by the end of the rehabilitation period, and specify when, if ever, the plan is expected to emerge from critical status in accordance with the rehabilitation plan.

The Trustees have concluded that the Fund cannot reasonably be expected to emerge from critical status by the end of the rehabilitation period.

The Trustees have developed a Default Schedule with regard to the Fund.

The Trustees must implement the Default Schedule if a collective bargaining agreement providing for contributions to the Fund that was in effect at the time the Fund entered critical status (May 1, 2010) expires, and after receiving the notice of the Amended Rehabilitation Plan and the Default Schedule, the bargaining parties fail to adopt a contract consistent with the Amended Rehabilitation Plan and the Default Schedule.

An Automatic Surcharge of 5% during the initial year of the Amended Plan and 10% in subsequent years shall be imposed upon any employer who fails to adopt a collective bargaining agreement consistent with the Default Schedule as required by the Amended Rehabilitation Plan. If the Default Schedule is imposed, a surcharge will be assessed consistent with the PPA.

The Board has the sole and absolute power, authority and discretion to amend, construe and apply the provisions of this Amended Rehabilitation Plan including the Default Schedule.

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II. EFFECTIVE DATES

The Plan was originally adopted on March 25, 2011. The Default Schedule of contribution rate requirements described in this Amended Plan apply to Participants covered under collective bargaining agreements and participation agreements that are renewed or extended after March 25, 2011.

Pursuant to the PPA, the Trustees must review the Amended Plan on an annual basis and may update the Plan to reflect future investment market conditions, participation levels in the Fund, percentage of Participants covered under the Default Schedule, legislative or regulatory action with respect to PPA compliance and other factors that may have a material impact on such future Rehabilitation Plan. Therefore, collective bargaining agreements and participation agreements that are renewed or extended after March 25, 2011 will be subject to the Amended Plan as amended at the time of such renewal or extension.

III. ALTERNATIVES CONSIDERED BY THE FUND'S TRUSTEES

The Fund's Trustees devoted a considerable amount of time and attention to considering the advantages and disadvantages of the alternatives that would enable the Fund to emerge from critical status by the end of the 10-year rehabilitation period. Some of the alternatives that were considered by the Fund's Trustees would have required unsupportable annual increases in all employer contribution rates to emerge from critical status by the end of the 10-year rehabilitation period. The Trustees concluded that in view of the economic challenges facing the building and construction industry, the prospect of these compound increases would cause the remaining participating employers either to flee from the Fund or become unable to continue in business and further undermine the Fund's stability.

After considering each of these alternatives, the Fund's Trustees concluded that each would be unreasonable and would involve considerable risk to the long-term health (and even viability) of the Fund.

The Fund's Trustees further determined that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, it would be unreasonable to conclude that the Fund would emerge from critical status. The Trustees reached this conclusion after consulting with the Fund's Actuary, and taking into account the economic condition of the building and construction industry covered by the Fund. Accordingly, under the PPA, the Board of Trustees is required to amend its Rehabilitation Plan and take reasonable measures to forestall the Fund's insolvency date.

In reaching this conclusion, the Fund's Trustees considered the near-impossibility of emerging from critical status at the end of the 10-year rehabilitation period in view of the significant investment losses suffered by the Fund over the plan year ended on April 30, 2008. The collapse of the financial markets in 2008 resulted in the Fund's experiencing the worst investment losses in

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its 50-year history. The collapse of the building and construction industry resulted from the collapse of the financial markets in 2008.

In addition, the magnitude of the employer contribution increases needed to satisfy the requirements for a 10-year rehabilitation plan would almost certainly result in lower negotiated wages for participants and/or decreased employer contributions to other benefit plans covering these participants (such as the plan providing their health benefit coverage). If participants perceive a significant decrease in value in their total overall compensation—including wages, pension benefits and health benefits—the Fund’s Trustees concluded that they would be likely to encourage their employers to withdraw from the Fund. Thus, the Fund’s Trustees concluded that a further reduction in benefits would be inconsistent with the goal of presenting a viable plan with ongoing value to active participants. Such action could also lead to increased employer withdrawals or reductions in contributions, as the collective bargaining parties would see less benefit to ongoing participation.

IV. AMENDED REHABILITATION PLAN OBJECTIVES

The objective of the Amended Rehabilitation Plan is to delay any insolvency so that potential improvements in investment return or other material events, including further applicable legislative reforms, can provide an opportunity for the Fund to survive and continue to provide its promised benefits to its participants.

V. DEFAULT SCHEDULE OF CONTRIBUTION AND BENEFIT LEVELS

The Board of Trustees of the Fund mandates the following Default Schedule to the parties charged with bargaining over agreements requiring contributions to the Fund. Subject to the sole discretion of the Trustees, a schedule is deemed adopted when the Trustees determine that a collective bargaining agreement (“CBA”) or other agreement requiring contributions to the Fund includes terms consistent with the requirements of a Schedule in the Amended Rehabilitation Plan.

Under the Default Schedule, since under Section 432(e)(5) of the Internal Revenue Code benefit accruals under the Default Schedule may not be reduced below a monthly benefit payable as a single life annuity commencing at Normal Retirement Age equal to one (1%) percent of the contributions required to be made on behalf of a Participant, or, the accrual applicable to the Participant on the first day of the initial critical Plan Year, the Default Schedule does not contain any reduction or elimination of benefits, but only contains an increase in the hourly contribution rate.

The changes described in the Default Schedule will be implemented upon the *earlier of*:

- a. the effective date of a collective bargaining agreement that adopts a contribution schedule that contains terms consistent with this Default Schedule, or

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- b. 180 days after the expiration date of a collective bargaining agreement providing for contributions under the Fund that was in effect on March 25, 2011, if by such date the Bargaining Parties have failed to adopt a contribution schedule that contains terms consistent with this Default Schedule.

This date is referred to below as the “Default Schedule Implementation Date.”

Once the Default Schedule is implemented with respect to a particular employer (and its employees), the Trustees shall only accept a subsequent collective bargaining agreement covering such bargaining unit employees that contains terms consistent with the Default Schedule then in effect.

Employers to whom the Default Schedule does not apply remain subject to the surcharges imposed under the PPA until such time as they adopt provisions in their collective bargaining agreements that contain terms consistent with this Default Schedule.

Reduction in Rate of Future Benefit Accruals

Because of the limitations imposed by Section 432(e)(5) of the Internal Revenue Code, the Default Schedule does not contain any reduction in the rate of future benefit accruals.

Reduction or Elimination of Adjustable Benefits

Because of the limitations imposed by Section 432(e)(5) of the Internal Revenue Code, the Default Schedule does not contain any reduction and/or elimination of adjustable benefits.

Contribution Increase

The Default Schedule requires an increase in employer contributions from the present rate of \$8.10 per hour to \$9.10 per hour.

Non-Collectively Bargained Participants Under the Amended Rehabilitation Plan

In the case of an employer that contributes to the Fund on behalf of collectively bargained *and* non-collectively bargained participants, the contributions for, and the benefits provided to, the non-collectively bargained employees, including surcharges on those contributions, shall be determined as if those non-collectively participants were covered under such employer's *first to* expire collective bargaining agreement that was in effect when the Fund entered critical status.

Annual Standards and Updating of Amended Rehabilitation Plan

Pursuant to the PPA, the Fund has adopted the following procedures:

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The Fund's actuary shall conduct an annual review of the Amended Rehabilitation Plan and the Default Schedule.

The Fund's actuary shall report to the Trustees the results of its annual review.

In consultation with the Fund's actuary, the Trustees shall update annually the Amended Rehabilitation Plan and the contribution rates contained in the Default Schedule to reflect the experience of the Fund.

Notwithstanding the foregoing, the Default Schedule of contribution rates provided by the Trustees and relied upon by bargaining parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement. Collective bargaining agreements that are entered, renewed or extended after the date of any changes to the Amended Rehabilitation Plan will be subject to the Amended Rehabilitation Plan then in effect at the time of such entry, renewal or extension.

PLASTERERS AND CEMENT MASONS LOCAL NO. 94 PENSION FUND

SECOND AMENDED REHABILITATION PLAN

I. BACKGROUND

The Plasterers and Cement Masons Local No. 94 Pension Fund (the "Fund") is a jointly-administered, multiemployer defined benefit pension plan established by Local No. 592 of the Operative Plasterers and Cement Masons ("Local No. 592" or the "Union"), and the Keystone Contractors Association (the "Employers"). Employers also include those employers who have not granted their collective bargaining rights to one of the associations, but who are a party to a collective bargaining agreement or project labor agreement with Local No. 592. Local No. 592 and the Employers are parties to collective bargaining agreements, with the current Association agreements effective through April 30, 2015. Local No. 592 and the Employers are referred to jointly in this Plan as the "Collective Bargaining Parties" and the collective bargaining agreement in effect at any given time now or in the future is referred to as the "CBA".

On July 27, 2010, the Fund's actuary certified the Fund to be in "Critical Status" within the meaning of the Pension Protection Act of 2006 (the "PPA") for the Plan Year beginning on May 1, 2010. Therefore, the Board of Trustees of the Fund was required to adopt and implement a Rehabilitation Plan. On March 25, 2011, the Board of Trustees adopted a Rehabilitation Plan, which they amended on October 21, 2011.

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II. REHABILITATION PLAN

Since the Fund was certified on July 27, 2011 by its actuary as being in "Critical Status" as defined by the PPA, the Fund's Board of Trustees was required under the PPA to develop a "Rehabilitation Plan," which was to be designed to improve the financial condition of the Fund over time in accordance with standards set forth in the PPA. In order to comply with this statutory mandate, the Board of Trustees of the Fund adopted a Rehabilitation Plan, which was effective May 1, 2012.

Under the PPA, the Rehabilitation Plan had to include one (1) or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the Board of Trustees and agreed upon by the bargaining parties, would reasonably be expected to enable the Fund to emerge from Critical Status by the end of the Fund's rehabilitation period, or where that is not reasonable, to emerge from Critical Status at a later time.

The PPA also provides that one of the Rehabilitation Plan's schedules of benefits and contributions had to be designated as being the "default" schedule. Under the PPA, the default schedule had to consist of (i) the reduction of all future benefit accruals to the extent permitted by law, (ii) the elimination of all adjustable benefits and, to the extent necessary, (iii) an increase in contribution rates, which, taken together, are projected to allow the Fund to emerge from Critical Status by the end of the Fund's rehabilitation period.

Consistent with these standards, the Board of Trustees adopted the following schedules for the Rehabilitation Plan:

1. DEFAULT SCHEDULE

Under the Default Schedule, since under Section 432(e)(5) of the Internal Revenue Code benefit accruals under the Default Schedule may not be reduced below a monthly benefit payable as a single life annuity commencing at Normal Retirement Age equal to one (1%) percent of the contributions required to be made on behalf of a Participant, or, the accrual applicable to the Participant on the first day of the initial critical Plan Year, the Default Schedule does not contain any reduction or elimination of benefits, but only contains an increase in the hourly contribution rate.

The changes described in the Default Schedule will be implemented upon the *earlier of*:

- a. the effective date of a collective bargaining agreement that adopts a contribution schedule that contains terms consistent with this Default Schedule, or
- b. 180 days after the expiration date of a collective bargaining agreement providing for contributions under the Plan that was in effect on March 25, 2011, if by such date the Bargaining Parties have failed to adopt a contribution schedule that contains terms consistent with this Default Schedule, the Preferred Schedule or the Alternative Schedule.

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This date is referred to below as the "Default Schedule Implementation Date."

Once the Default Schedule is implemented with respect to a particular employer (and its employees), the Trustees shall only accept a subsequent collective bargaining agreement covering such bargaining unit employees that contains terms consistent with the Preferred Schedule or an Alternative Schedule then in effect. The benefits of participants that are subject to the Default Schedule may be restored to the extent provided in the Preferred Schedule or an Alternative Schedule, if they later become subject to such Schedule.

Employers to whom the Default Schedule does not apply remain subject to the surcharges imposed under the PPA until such time as they adopt provisions in their collective bargaining agreements that contain terms consistent with this Default Schedule, or are party to a collective bargaining agreement that contains provisions consistent with the Preferred Schedule or an Alternative Schedule.

Reduction in Rate of Future Benefit Accruals

Because of the limitations imposed by Section 432(e)(5) of the Internal Revenue Code, the Default Schedule does not contain any reduction in the rate of future benefit accruals.

Reduction or Elimination of Adjustable Benefits

Because of the limitations imposed by Section 432(e)(5) of the Internal Revenue Code, the Default Schedule does not contain any reduction and/or elimination of adjustable benefits.

Contribution Increase

The Default Schedule requires an increase in employer contributions from the present rate of \$8.10 per hour to \$15.15 per hour.

2. PREFERRED SCHEDULE

The changes described in this Preferred Schedule will be implemented on the effective date of a collective bargaining agreement that adopts a contribution schedule that contains terms consistent with this Preferred Schedule. This date is referred to below as the "Preferred Schedule Effective Date."

Employers to whom the Preferred Schedule does not apply remain subject to the surcharges imposed under the PPA until such time as they are party to a collective bargaining agreement that contains terms consistent with such Preferred Schedule, an Alternative Schedule, or they become subject to the Default Schedule.

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Reduction in Rate of Future Benefit Accruals

There will be no reduction in the rate of future benefit accruals of any Covered Employee whose employer is subject to the Preferred Schedule.

Reduction and/or Elimination of Adjustable Benefits

The Preferred Schedule requires the elimination of the following benefits: Five-year guarantee option; ten-year guarantee option; pop-up husband-wife pension; husband-wife 75% pension; husband-wife 100% pension; disability benefits (if not yet in pay status); subsidized early retirement pension; and subsidized qualified pre-retirement survivor annuity. The reduction and/or elimination of adjustable benefits described in this Preferred Schedule shall be effective as of and implemented on the Preferred Schedule Effective Date.

Contribution Increase

The Default Schedule requires an increase in employer contributions from the present rate of \$8.10 per hour to \$14.00 per hour.

3. ALTERNATIVE SCHEDULE ONE

The changes described in this Alternative Schedule will take effect upon the effective date of a collective bargaining agreement that contains terms that are consistent with this Alternative Schedule One.

Employers to whom the Alternative Schedule One does not apply remain subject to the surcharges imposed under the PPA until such time as they are party to a collective bargaining agreement that contains terms consistent with such Alternative Schedule One, the Preferred Schedule, Alternative Schedule Two, or they become subject to the Default Schedule.

Future Benefit Accruals

The future benefit accruals of any employee whose employer is subject to the Alternative Schedule One will be reduced from \$77.50 to \$10.00 per year of Credited Future Service.

Reduction or Elimination of Adjustable Benefits

The Preferred Schedule requires the elimination of the following benefits: Five-year guarantee option; ten-year guarantee option; pop-up husband-wife pension; husband-wife 75% pension; husband-wife 100% pension; disability benefits (if not yet in pay status); subsidized early retirement pension; and subsidized qualified pre-retirement survivor annuity. The reduction and/or elimination of adjustable benefits described in this Preferred Schedule shall be effective as of and implemented on the Preferred Schedule Effective Date.

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Contribution Increase

The Default Schedule requires an increase in employer contributions from the present rate of \$8.10 per hour to \$11.75 per hour.

4. ALTERNATIVE SCHEDULE TWO

The changes described in this Alternative Schedule Two will take effect upon the effective date of a collective bargaining agreement that contains terms that are consistent with this Alternative Schedule.

Employers to whom the Alternative Schedule Two does not apply remain subject to the surcharges imposed under the PPA until such time as they are party to a collective bargaining agreement that contains terms consistent with such Alternative Schedule Two, the Preferred Schedule, Alternative Schedule One, or they become subject to the Default Schedule.

Future Benefit Accruals

The future benefit accruals of any employee whose employer is subject to the Alternative Schedule Two will be reduced from \$77.50 to \$0.00.

Reduction or Elimination of Adjustable Benefits

The Preferred Schedule requires the elimination of the following benefits: Five-year guarantee option; ten-year guarantee option; pop-up husband-wife pension; husband-wife 75% pension; husband-wife 100% pension; disability benefits (if not yet in pay status); subsidized early retirement pension; and subsidized qualified pre-retirement survivor annuity. The reduction and/or elimination of adjustable benefits described in this Preferred Schedule shall be effective as of and implemented on the Preferred Schedule Effective Date.

Contribution Increase

The Default Schedule requires an increase in employer contributions from the present rate of \$8.10 per hour to \$11.25 per hour.

III. AMENDED REHABILITATION PLAN

Subsequent to March 25, 2011, the Board of Trustees found that the economic conditions in the building and construction trades have not improved and in fact have continued to decline. Additionally, the world investment markets had not improved. In an effort to offset the impact of the decline in the economy and investment markets, the Board of Trustees of the Fund, on May 31, 2011, elected to adopt certain funding relief available to the Fund under the Pension Relief Act of 2010. Although the relief obtained from the Pension Relief act of 2010 did help to improve the Fund's funding status, this improvement was not sufficient to allow the Fund to be projected

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to emerge from Critical Status within the 10 year statutory period anticipated by the initial Rehabilitation Plan. On July 20, 2011, the Fund's Actuary issued a certification that the Fund would continue in Critical Status for the Plan Year beginning May 1, 2011.

Based on the foregoing, the Trustees have concluded that the Fund could not reasonably be expected to emerge from Critical Status by the end of the rehabilitation period.

IV. ALTERNATIVES CONSIDERED BY THE FUND'S TRUSTEES

The Fund's Trustees devoted a considerable amount of time and attention to considering the advantages and disadvantages of the alternatives that would enable the Fund to emerge from Critical Status by the end of the 10-year rehabilitation period. Some of the alternatives that were considered by the Fund's Trustees would have required unsupportable annual increases in all employer contribution rates to emerge from Critical Status by the end of the 10-year rehabilitation period. The Trustees concluded that in view of the economic challenges facing the building and construction industry, the prospect of these compound increases would cause the remaining participating employers either to flee from the Fund or become unable to continue in business and further undermine the Fund's stability.

After considering each of these alternatives, the Fund's Trustees concluded that each would be unreasonable and would involve considerable risk to the long-term health (and even viability) of the Fund.

The Fund's Trustees further determined that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, it would be unreasonable to conclude that the Fund would emerge from Critical Status. The Trustees reached this conclusion after consulting with the Fund's Actuary, and taking into account the economic condition of the building and construction industry covered by the Fund. Accordingly, under the PPA, the Board of Trustees is required to amend its Rehabilitation Plan and take reasonable measures to forestall the Fund's insolvency date.

In reaching this conclusion, the Fund's Trustees considered the near-impossibility of emerging from Critical Status at the end of the 10-year rehabilitation period in view of the significant investment losses suffered by the Fund over the plan year ended on April 30, 2008. The collapse of the financial markets in 2008 resulted in the Fund's experiencing the worst investment losses in its 50-year history. The collapse of the building and construction industry resulted from the collapse of the financial markets in 2008.

In addition, the magnitude of the employer contribution increases needed to satisfy the requirements for a 10-year rehabilitation plan would almost certainly result in lower negotiated wages for participants and/or decreased employer contributions to other benefit plans covering these participants (such as the plan providing their health benefit coverage). If participants perceive a significant decrease in value in their total overall compensation—including wages, pension benefits and health benefits—the Fund's Trustees concluded that they would be likely to encourage

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their employers to withdraw from the Fund. Thus, the Fund's Trustees concluded that a further reduction in benefits would be inconsistent with the goal of presenting a viable plan with ongoing value to active participants. Such action could also lead to increased employer withdrawals or reductions in contributions, as the collective bargaining parties would see less benefit to ongoing participation.

The Trustees therefore decided to adopt an Amended Rehabilitation Plan. The objective of the Amended Rehabilitation Plan was to delay any insolvency so that potential improvements in investment return or other material events, including further applicable legislative reforms, can provide an opportunity for the Fund to survive and continue to provide its promised benefits to its participants.

Reduction in Rate of Future Benefit Accruals

Because of the limitations imposed by Section 432(e)(6) of the Internal Revenue Code, the Default Schedule does not contain any reduction in the rate of future benefit accruals.

Reduction or Elimination of Adjustable Benefits

Because of the limitations imposed by Section 432(e)(6) of the Internal Revenue Code, the Default Schedule does not contain any reduction and/or elimination of adjustable benefits.

Contribution Increase

The Default Schedule requires an increase in employer contributions from the present rate of \$8.10 per hour to \$9.10 per hour.

V. SECOND AMENDED REHABILITATION PLAN

Having received the Fund's May 1, 2012 actuarial valuation, having been notified by the Fund's actuary that the Fund continued to be in Critical Status as of July 27, 2012, and having been informed by the Fund's actuary that the Fund continued to be projected to never emerge from Critical Status, the Trustees decided to amend the Amended Rehabilitation Plan.

The Trustees reviewed the Fund's contribution rates and the Fund's benefits with a view to making modifications to these so as to have the Fund emerge from Critical Status at a date subsequent to the end of the Rehabilitation Period or to further enable the Fund to forestall insolvency. In considering contribution rate increases, the Trustees concluded that it would not be realistic to increase the rate of contributions given the impact of the severe economic decline in the building and construction industry.

The Board of Trustees found that:

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- Many of the contributing employers to the Fund are small organizations that do not have the financial resources to withstand the economic downturn. Of course, they are not alone. Larger contributors are also undergoing considerable economic stress as a result of the severe recession in the building and construction industry.
- In addition, the magnitude of the employer contribution increases required by this alternative would likely have resulted in lower negotiated wages for Participants and/or decreased employer contributions to other benefit plans covering these Participants (such as the Fund providing their health benefit coverage). If Participants perceive a significant decrease in value in their total overall compensation—including wages, pension benefits and health benefits—the Board of Trustees concluded that they would be likely to leave the building and construction industry.

For the foregoing reasons, the Board of Trustees determined that this alternative was not a reasonable alternative.

The Trustees then reviewed the modification of benefits. After this review, the Board of Trustees concluded that, by modifying certain benefits, the Trustees would be able to amend the Fund's Amended Rehabilitation Plan to reflect a more meaningful effort to forestall the Fund's insolvency. By amending the Fund's monthly benefit multiplier; modifying the Fund's Early Retirement Pension reduction factor; and by modifying the Fund's Death Benefits, the Fund's actuary projected a leveling and eventual increase in the Fund's funded percentages and the Standard Account Credit Balance as reflected on Exhibit A attached hereto. Exhibit A also shows the steady decline in the Fund's funded percentage and the Standard Account Credit Balance if no action was taken by the Trustees.

Updated Rehabilitation Plan Objectives

The Second Amended Rehabilitation Plan consists of reasonable measures adopted by the Board of Trustees which, based on reasonable actuarial assumptions, will enable the Fund to forestall insolvency.

The Fund's Amended and Restated Plan of Benefits shall be amended to reflect the following benefit modifications:

1. Amend Section 4.01(D)(1), to read as follows:

(D) Death Benefits

(1) Participant Who has Not Reached Early Retirement Age

(2) If a Participant, having five (5) years of Future Credited Service or five (5) years of Vested Credits, who has not made a qualified election of pension other than a Husband-Wife Pension, dies prior to reaching Early Retirement Age,

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his/her Eligible Spouse will receive a death benefit in a form of a delayed monthly pension. The monthly pension benefit to the Participant's Eligible Spouse will begin when the Participant would have reached age 55 and 15 years of Credited Service. The rate per month for each year of service shall be fifty (50%) percent of the amount such Participant would have received had he/she retired on his/her 55th birthday and elected a Husband-Wife 50% Pension, with an Early Retirement reduction.

(3) Such benefit shall commence after approval of an application by the Board, effective on the first day of the month following the Participant's 55th birthday.

(4) The death benefit will terminate on the first day of the month in which the Eligible Spouse dies.

2. *Amend Section 4.03(G), to read as follows:*

(G) Early Retirement Pension - The Forms, Amounts, Options and Duration of the Early Retirement Pension shall be as set forth in Section 4.02 and 4.03, with the following modifications:

(5) The Participant's Employee-Only Pension shall be reduced by 1/200th for each full month which his/her early retirement date precedes his/her Normal Retirement Date. The other forms of pension shall be actuarial reductions of the amount thus calculated.

(6) The Early Retirement Pension shall commence on the later of retirement, completion of age and service requirements, Section 4.01(B), or approval of the Participant's application.

(7) The election or revocation of election or re-election of an optional form of Early Retirement Pension may be made during the election period preceding the commencement of an Early Retirement Pension.

3. *Amend Appendix B by adding Paragraph 19, to read as follows:*

19. Effective May 1, 2013, the amount of the monthly Employee-Only Pension Benefit for Active Participants retiring on or after May 1, 2013, shall be the total of:

- a. \$10.00 for each year of Credited Service prior to May 1, 1982, and
- b. \$77.50 for each year of Credited Service after April 30, 1982; and
- c. \$33.00 for each year of Credited Service after May 1, 2013.

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Effective May 1, 2013, the Board of Trustees has amended the Fund's Amended and Restated Plan of Benefits to reduce the monthly benefit multiplier from \$77.50 for each year of Credited Service to \$33.00 for each year of Credited Service.

Effective May 1, 2013, the Board of Trustees has amended the Fund's Amended and Restated Plan of Benefits to change the early retirement reduction from $1/360^{\text{th}}$ for each month that your retirement precedes your Normal Retirement Date to $1/200^{\text{th}}$ for each month that your retirement precedes your Normal Retirement Date.

Effective May 1, 2013, the Board of Trustees has amended the Fund's Amended and Restated Plan of Benefits to change the amount that would be payable to your Eligible Spouse if you die after you complete five years of Future Service Credits, but before Normal Retirement Age. Prior to the amendment, the Eligible Spouse's pension was 50% of the amount you would have received if you retired on the day prior to your death on an Employee-Only Pension without reduction for payment prior to Normal Retirement Age. After the amendment, the Eligible Spouse's pension will be 50% of the amount you would have received if you retired on the day prior to your death on a Husband-Wife 50% Form, reduced for payment prior to Normal Retirement Age.

Non-Collectively Bargained Participants Under the Second Amended Rehabilitation Plan

In the case of an employer that contributes to the Fund on behalf of collectively bargained *and* non-collectively bargained participants, the contributions for, and the benefits provided to, the non-collectively bargained employees, including surcharges on those contributions, shall be determined as if those non-collectively participants were covered under such employer's *first to* expire collective bargaining agreement that was in effect when the Fund entered Critical Status.

Annual Standards and Updating of Second Amended Rehabilitation Plan

Pursuant to the PPA, the Fund has adopted the following procedures:

The Fund's actuary shall conduct an annual review of the Second Amended Rehabilitation Plan.

The Fund's actuary shall report to the Trustees the results of its annual review.

In consultation with the Fund's actuary, the Trustees shall update annually the Second Amended Rehabilitation Plan and the contribution rates to reflect the experience of the Fund.

Notwithstanding the foregoing, the contribution rates provided by the Trustees and relied upon by bargaining parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement. Collective bargaining agreements that are entered, renewed or extended after the date of any changes to the Second Amended Rehabilitation Plan will be subject to the Second Amended Rehabilitation Plan then in effect at the time of such entry, renewal or extension.

2014 REHABILITATION PLAN

I. BACKGROUND

The Plasterers and Cement Masons Local No. 94 Pension Fund (the “Fund”) is a jointly-administered, multiemployer defined benefit pension plan established by Local No. 592 of the Operative Plasterers and Cement Masons (“Local No. 592” or the “Union”), and the Keystone Contractors Association (the “Employers”). Employers also include those employers who have not granted their collective bargaining rights to one of the associations, but who are a party to a collective bargaining agreement or project labor agreement with Local No. 592. Local No. 592 and the Employers are parties to collective bargaining agreements, with the current Association agreements effective through April 30, 2015. Local No. 592 and the Employers are referred to jointly in this Plan as the “Collective Bargaining Parties” and the collective bargaining agreement in effect at any given time now or in the future is referred to as the “CBA”.

On July 27, 2010, the Fund’s actuary first certified the Fund to be in “Critical Status” within the meaning of the Pension Protection Act of 2006 (the “PPA”) for the Plan Year beginning on May 1, 2010. Therefore, the Board of Trustees of the Fund was required to adopt and implement a Rehabilitation Plan. On March 25, 2011, the Board of Trustees adopted a Rehabilitation Plan, which they amended on October 21, 2011, February 26, 2013, and November 14, 2014.

II. REHABILITATION PLAN

A Rehabilitation Plan must prescribe actions, including recommended actions to be taken by the bargaining parties that are expected to enable a plan to meet stated annual standards and emerge from critical status by the end of the Rehabilitation Period, based on reasonably anticipated experience and on reasonable actuarial assumptions.

Under the PPA, the Rehabilitation Plan had to include one (1) or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the Board of Trustees and agreed upon by the bargaining parties, would reasonably be expected to enable the Fund to emerge from Critical Status by the end of the Fund’s rehabilitation period, or where that is not reasonable, to either emerge from Critical Status at a later time or to forestall insolvency.

In March 2011, the Board of Trustees adopted a Rehabilitation Plan that contained four schedules providing reductions in benefits, increases in contributions or both, that were reasonably expected to enable the Plan to emerge from critical status at the end of the Rehabilitation Period (10-year period beginning on May 1, 2011). In October 2011, the Board of Trustees amended the Rehabilitation Plan to include just one schedule, the Default Schedule, calling for increases in contributions. In February 2013, the Board of Trustees amended the Rehabilitation Plan, providing reductions in benefits. This document (“2014 Rehabilitation Plan”) represents the fourth revision to the Rehabilitation Plan. It includes one Default Schedule, calling for increases in contributions and reductions in benefits.

Exhibit 7.06a
Plan Document with Plan Amendments (Checklist Item #37)

III. SCHEDULES

In the first year of the Rehabilitation Plan, one schedule must be a “default schedule” that identifies reductions in benefits (subject to some minimum benefits) necessary to achieve the applicable benchmarks, and includes only those contribution increases necessary, after these reductions, to permit the Plan to emerge from critical status on a timely basis.

The March 25, 2011 Rehabilitation Plan contained a “default schedule,” a Preferred schedule, and two Alternative schedules with varying reductions in benefits and increases in contributions necessary to achieve the applicable benchmarks. The March 25, 2011 Rehabilitation Plan anticipated that the Fund would emerge from Critical Status within the 10 year Rehabilitation Period.

Subsequent to March 25, 2011, the Board of Trustees found that the economic conditions in the building and construction trades had not improved and in fact had continued to decline. In an effort to offset the impact of the decline in the economy and investment markets, the Board of Trustees, on May 31, 2011, elected to adopt certain funding relief available to the Fund under the Pension Relief Act of 2010. Although the relief obtained from the Pension Relief Act of 2010 did help to improve the measure of the Plan’s progress toward meeting its benchmarks, , this improvement was not sufficient to allow the Fund to be projected to emerge from Critical Status within the 10 year Rehabilitation Period.

The Trustees decided to amend the Rehabilitation Plan on October 21, 2011, after determining that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, it would be unreasonable to conclude that the Fund would emerge from Critical Status. The Trustees reached this conclusion after consulting with the Fund’s Actuary, and taking into account the economic condition of the building and construction industry covered by the Fund. In reaching this conclusion, the Fund’s Trustees considered the near-impossibility of emerging from Critical Status at the end of the 10-year rehabilitation period in view of the significant investment losses suffered by the Fund over the plan year ended on April 30, 2008. The collapse of the financial markets in 2008 resulted in the Fund’s experiencing the worst investment losses in its 50-year history. The collapse of the building and construction industry resulted from the collapse of the financial markets in 2008. In addition, the magnitude of the employer contribution increases needed to satisfy the requirements for a 10-year rehabilitation plan would almost certainly result in lower negotiated wages for participants and/or decreased employer contributions to other benefit plans covering these participants (such as the plan providing their health benefit coverage). If participants perceive a significant decrease in value in their total overall compensation—including wages, pension benefits and health benefits—the Fund’s Trustees concluded that they would be likely to encourage their employers to withdraw from the Fund. Thus, the Fund’s Trustees concluded that a further reduction in benefits would be inconsistent with the goal of presenting a viable plan with ongoing value to active participants. Such action could also lead to increased employer withdrawals or reductions in contributions, as the collective bargaining parties would see less benefit to ongoing participation. The objective of the October 21, 2011 Rehabilitation Plan was to delay any plan insolvency so that potential improvements in investment return