ORDER PARTITIONING THE
BRICKLAYERS AND ALLIED CRAFTSMEN LOCAL 7 PENSION FUND

Pursuant to section 4233 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Bricklayers and Allied Craftsmen Local 7 Pension Fund (the "Plan") applied for an order partitioning the Plan. The Pension Benefit Guaranty Corporation ("PBGC"), pursuant to its authority under section 4233 of ERISA, has ensured that notice of the application has been provided to the Affected Participants (as defined below) of the Plan and made findings under section 4233 of ERISA.

Upon review of the Plan's application dated November 26, 2019, and the entire record, PBGC hereby FINDS:

1. The Plan is in critical and declining status, as certified by the Plan's actuary. ERISA § 4233(b)(1).

2. In consultation with the Participant and Plan Sponsor Advocate, the Plan sponsor has taken all reasonable measures to avoid insolvency. ERISA § 4233(b)(2).

3. A partition of the Plan is necessary for the Plan to remain solvent. ERISA § 4233(b)(3)(B).

4. The Plan's representatives have demonstrated that, with a partition, the Plan will remain solvent, based on reasonable assumptions, including:

   a. Contribution Rate: The current $6.80 average hourly contribution rate will increase by 1% per year for plan years beginning after April 30, 2021;

   b. Contribution Base Units ("CBU"): CBUs will decrease annually by 1% per year, with additional adjustments to reflect the expected impact of the COVID-19 pandemic (the beforementioned CBUs will further decrease by 35% for the plan year ending April 30, 2021, by 10% for the plan year ending April 30, 2022, and by 5% for future plan years); and

   c. Investment return: The expected return on assets, net of investment expenses, is 7.75% for the month of April 2020, 5.75% for plan years ending April 30, 2021 through April 30, 2029, and 6.75% thereafter; and

d. Accrual rate: 0.3% of contributions made up to $6.66 per hour, plus 1% of contributions greater than $6.66 per hour.

5. The partition will reduce PBGC's expected long-term loss with respect to the Plan. ERISA § 4233(b)(3)(A).

6. The partition will not impair PBGC's ability to meet existing financial assistance obligations to other plans (including any liabilities associated with multiemployer plans that are insolvent or that are projected to become insolvent within 10 years). ERISA § 4233(b)(4).

7. Financial assistance to the Successor Plan will be paid exclusively from the multiemployer insurance fund. ERISA § 4233(b)(5).

Based on its findings, PBGC hereby concludes that the requirements for partition under section 4233 of ERISA are satisfied.

WHEREFORE, it is hereby ORDERED that the Plan shall be partitioned on the terms and conditions below:

1. This order is effective as of October 1, 2020, at 12:01 a.m. (Eastern Time) ("Effective Date").

2. Pursuant to section 4233 of ERISA, the minimum amount of the liabilities necessary for the Plan to remain solvent will be transferred from the Plan (the "Original Plan") to a newly created plan (the "Successor Plan"), on October 1, 2020.

3. PBGC will provide financial assistance to the Plan up to the amount of the PBGC guaranteed benefits attributable to the Successor Plan, as memorialized in the Financial Assistance agreement.

4. The Plan's Board of Trustees (the "Board") will serve as plan sponsor and administrator for the Original and Successor Plans.

5. For each participant or beneficiary of the Plan whose benefits were transferred to the Successor Plan created by this Order (as provided in Appendix A), including future alternate payees, surviving spouses and beneficiaries thereof (the "Affected Participants"), pursuant to section 4233(e) of ERISA, the Original Plan shall pay a monthly benefit to such participant or beneficiary for each month in which such benefit is in pay status following the Effective Date in an amount equal to (i) the monthly benefit that would be paid to such participant or beneficiary for such month under the terms of the Plan (taking into account benefit accruals, benefit

suspensions and any plan amendments following the Effective Date) if the partition had not occurred, less (ii) the monthly benefit for such or beneficiary accrued through September 30, 2020, that is guaranteed under section 4022A of ERISA. The benefit remaining in the Original Plan as of the Effective Date, if any, is not subject to a new guarantee. The Board may, but is not required to, pay monthly benefits payable under the Original Plan and Successor Plan, respectively, in a single monthly payment pursuant to a written cost-sharing or expense allocation agreement between the plans.

6. If PBGC reduces Financial Assistance to the Successor Plan because of PBGC's Multiemployer Program's insolvency, the Original Plan will be responsible for the benefits due under this Order to participants in the Successor Plan.

7. In any case in which the Original Plan provides a benefit improvement (as defined in ERISA § 305(e)(9)(E)(vi)) that takes effect after the Effective Date, the Original Plan shall pay to PBGC, for each year during the 10-year period following the Effective Date, an annual amount equal to the lesser of (i) the total value of the increase in benefit payments for such year that is attributable to the benefit improvement, or (ii) the total benefit payments from the plan created by the partition for such year. Such payment shall be made at the time of, and in addition to, any premiums owed by the Plan.

8. Pursuant to section 4233(e) of ERISA, the Original Plan shall pay the premiums imposed by PBGC with respect to participants whose benefits were transferred to the Successor Plan for each year during the 10-year period following the Effective Date.

9. Pursuant to section 4233(d) of ERISA, the unfunded vested benefits ("UVBs") to be allocated to an employer who contributed to the Original Plan before the Effective Date and who withdraws from the Original Plan during the ten full plan years after the Effective Date is the sum of the UVBs allocable to that employer under the Original Plan (including the value of benefits suspended, for the 10-year period after the Effective Date) and under the Successor Plan. The UVBs of the Successor Plan allocable to such an employer is equal to the value of the benefits of the Successor Plan as of either: (i) the Effective Date, or (ii) the end of the plan year which is coincident with or immediately following the Effective Date, multiplied by a fraction: the numerator of which is sum of all contributions required to be made by the withdrawing employer to the pre-partitioned Plan for the last 5 plan years ending immediately before the plan year in which the partition is effective (i.e., April 30, 2020) and the denominator of which is the

total of all employers' contributions to the pre-partitioned Plan for the five consecutive plan years ending immediately before the plan year in which the partition is effective (i.e., April 30, 2020), increased by any employer contributions owed with respect to earlier periods which were collected in those plan years, and decreased by any amount contributed by an employer that withdrew from the plan during those plan years. The Successor Plan's liability is to be valued in accordance with section 4213 of ERISA (except as specifically provided in this paragraph), but in no event may it result in a liability less than that valued using assumptions consistent with the partition application as of the Effective Date (with respect to the demonstration that the plan will remain solvent). The withdrawal liability of an employer who withdraws from the Original Plan after the end of the 10th full plan year after the Effective Date will be computed only with respect to the Original Plan. In either case, withdrawal liability is payable to the Original Plan and not to the Successor Plan.

10. For all withdrawals after the Effective Date, an employer's withdrawal liability under section 4201 of ERISA – specifically, its annual payment amount and schedule of payments under section 4219 – will be computed in accordance with section 4219, subject to a minimum requirement for deemed CBUs and contribution rate, based on the employer's contribution rate and CBUs in effect on the Effective Date, and adjusted based on the assumptions underlying the partition application. More specifically, the amount of an Employer's annual payment will be the greater of: (i) the amount resulting from the calculation under ERISA section 4219(c)(1)(C)(i), or (ii) the expected contributions consistent with the assumptions in the Plan's partition application and PBGC's approval (i.e., the full amount of the actual contribution rate at the Effective Date and assuming contribution increases of 1.0% per year after April 30, 2021). PBGC's financial assistance is conditioned upon (i) the Board amending the Plan (the Original Plan document or withdrawal liability rules, as applicable) prior to the Effective Date to effectuate the above noted changes to the withdrawal liability payment amount and the determination of allocable UVBs as set forth in paragraph 9 of this order, and (ii) modification of (as soon as practicable) all collective bargaining agreements or execution of separate agreements with each employer, obligating employers to be subject to the Plan's updated withdrawal liability rules that are consistent with this Order.

11. The Board shall amend the Original Plan and Successor Plan to reflect the benefits payable to participants and beneficiaries as provided in this Order.

12. The Board, as plan sponsor of the Original and Successor Plans, must maintain a written record of each plan's compliance with the terms of this Order, section 4233 of ERISA, and 29 CFR § 4233.14.

13. The Board is subject to the following annual reporting requirements for the Original and Successor Plan, respectively:

a. For the Original Plan, the Board must annually (no later than 270 days after the first day of each plan year) provide to PBGC (i) zone status certification; (ii) actuarial valuation report; (iii) a long-term projection of the solvency of the Original Plan using current year's valuation data (in Excel, including market value of assets, expected contributions, expenses, investment return, benefit payments, and all assumptions used); (iv) real-time reporting of any proposed merger or transfer; (v) notice of the adoption of a Plan Amendment; and (vi) notice of any employer withdrawals.

b. For the Successor Plan, the Board must provide to PBGC actuarial valuation reports for any valuation performed.

14. PBGC will continue to have jurisdiction over the Original Plan and Successor Plan to carry out the purposes, terms, and conditions of this Order. PBGC may, upon providing notice to the Plan Sponsor, make changes to this Order in response to changed circumstances consistent with section 4233 of ERISA.

Issued at Washington, DC, on this 21st day of September, 2020.

Karen L. Morris

Karen L. Morris
Chief of Negotiations and Restructuring
Pension Benefit Guaranty Corporation