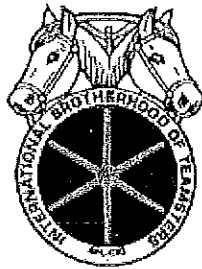


**TRUCK DRIVERS & HELPERS  
LOCAL UNION NO. 355  
RETIREMENT PENSION PLAN**

*ACTUARIAL VALUATION  
AS OF JANUARY 1, 2007*



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# **BOLTON PARTNERS, INC.**

January 28, 2008

Trustees  
Truck Drivers and Helpers Local Union No. 355  
Retirement Pension Fund  
1030 South Dukeland Street  
Baltimore, Maryland 21223

Re: *January 1, 2007 Actuarial Valuation*

Dear Trustees:

This report sets forth the actuarial valuation of the Truck Drivers and Helpers Local Union No. 355 Retirement Pension Plan as of January 1, 2007 for the plan year beginning on that date. The report is based on payroll and contribution data submitted by the Fund. Financial data for the plan year ended December 31, 2006 was prepared by Handwerker, Cardegna, Funkhouser and Lurman, P.A.

## Data & Experience Analysis

### Investment Performance

The gross investment return for the year ended December 31, 2006 was 11.4%. Investment expenses equaled 0.4%. The net return for the year after investment expenses was 11.0%. In comparison, the investment performance during the same 12-month period was 15.8% for the Standard and Poor's 500 Index and 2.7% for the Lehman Brothers, Inc. Government/Corporate Bond Index.

Historically, the return on the fund on an average basis has been as follows:

Plan Year	Net Investment Return	S&P 500	Lehman Brothers
2002	(6.6%)	(22.1%)	14.8%
2003	15.3%	28.7%	5.9%
2004	9.2%	10.9%	8.6%
2005	5.8%	4.9%	5.3%
2006	11.0%	15.8%	2.7%
5 Year Average	6.7%	6.2%	7.4%

An 8.0% investment return assumption is used in the valuation of the plan.

**Bolton Partners, Inc.**

575 S. Charles Street • Suite 500 • Baltimore, Maryland 21201 • (410) 547-0500 • (800) 394-0263 • fax (410) 685-1924

*Actuarial, Benefit and Investment Consultants*

Asset Values

We have continued the actuarial asset valuation method established with the 1997 valuation. Assets are valued using an averaging method, which spreads investment gains and losses (relative to the assumed return) over a five-year period. The following table provides a comparison of market value and actuarial value of assets over the last five years.

Valuation Date	Actuarial Value of Assets	Market Value of Assets plus Accrued Contributions	Surplus of Market Value Over Actuarial Value
1/1/2003	\$283,279,144	\$238,569,124	(\$44,710,020)
1/1/2004	\$288,565,618	\$271,864,943	(\$16,700,675)
1/1/2005	\$297,245,141	\$291,914,775	(\$5,330,366)
1/1/2006	\$308,734,173	\$305,327,589	(\$3,406,584)
1/1/2007	\$326,241,372	\$334,319,117	\$8,077,745

Benefit Payment and Contribution History

The following table summarizes annual benefits and contributions since 1996.

	Benefit Payments	Contributions	Excess of Contributions over Benefit Payments
1996	\$5,409,898	\$7,599,405	\$2,189,507
1997	\$6,119,703	\$8,215,038	\$2,095,335
1998	\$7,710,783	\$8,579,528	\$868,745
1999	\$8,776,229	\$9,113,624	\$337,395
2000	\$10,460,178	\$10,118,893	(\$341,285)
2001	\$11,877,475	\$10,720,322	(\$1,157,153)
2002	\$13,068,506	\$11,143,001	(\$1,925,505)
2003	\$14,525,539	\$11,603,264 <sup>1</sup>	(\$2,922,275)
2004	\$16,389,996	\$12,302,178	(\$4,087,818)
2005	\$17,621,795	\$13,046,733	(\$4,575,062)
2006	\$18,432,303	\$14,660,051	(\$3,772,252)

<sup>1</sup> Excludes one-time withdrawal liability payment.

**Participation**

Over the past five years, the change in participation in the plan has been as follows:

	Plan Participation				
	2007	2006	2005	2004	2003
Active	1,748	1,709	1,679	1,835	1,912
Retired	1,184	1,161	1,150	1,100	1,034
Terminated Vested	<u>760</u>	<u>620</u>	<u>635</u>	<u>624</u>	<u>531</u>
Total	3,692	3,490	3,464	3,559	3,477

**Valuation Results**

**Minimum Funding**

This report has been prepared under the Unit Credit Funding Method.

The minimum funding requirement is the normal cost for the year, including expenses, plus an amortization of unfunded liabilities under the plan's actuarial cost method with an adjustment for interest to reflect employer contributions made throughout the year. The following table summarizes:

Total Normal Cost	\$12,142,487
Amortization Charge	11,640,643
Interest	<u>1,902,650</u>
Total Minimum Funding Requirement with Interest to Year End	\$25,685,780

For the plan to satisfy minimum funding requirements, employer contributions to the plan plus the credit balance for prior contributions in excess of minimums must exceed this total. Anticipated employer contributions for 2007 are \$15,259,497<sup>1</sup>. The credit balance with interest is \$23,707,318. These total to \$38,966,815. Thus, the minimum contribution requirements are expected to be met for the 2007 plan year.

The \$11,640,643 amortization charge consists of a number of components. Gains and losses arising from actual experience differing from the actuarial assumptions are amortized over a 15-year period. Plan amendments and actuarial assumption changes are amortized over a 30-year period. The schedule on page 13 sets forth each component of the amortization, the outstanding balance, and the number of years remaining.

<sup>1</sup> This includes new hires and is based on actual 2006 contributions and contribution rate increases. The amount without new hires and factoring in expected terminations is \$14,078,802.

**Funded Status**

A comparison of the present value of accrued benefits under the plan for the last two years is as follows:

	<u>1/1/06</u>	<u>1/1/07</u>
Value of Accrued Benefits	\$378,885,792	\$428,714,159
Market Value of Assets*	296,052,593	324,268,791
Market Value of Assets less Value of Accrued Benefits	(82,833,199)	(104,445,368)
Funded Ratio	78.1%	75.6%

The above "Funded Status" values have been determined at a 7.5% interest rate.

\* Excludes certain accrued contributions used for funding only.

**Historical Gains and Losses for Reasons Other Than Investments**

Investment gains and losses tend to drive much of the plan's financial experience. However, we are interested in experience from the other factors. We have estimated the gains and losses from investments (including smoothing) and non-investment related sources for the last two years to be as follow:

	CY2005	CY2006
Investment related	\$9 million loss	\$3 million loss
Non-Investment related	\$3 million loss	\$5 million loss

We recently completed an experience study and made adjustments to the actuarial assumptions. Changes include an increase in the retirement rate to address the recurring non-investment related losses.

**Pension Protection Act**

The Pension Protection Act will have a material impact on the plan. Without any changes in benefits or contributions the plan is expected to be in the "Red Zone". An actuarial certification is required in March 2008 to state the plan's funding status under the Act. It is anticipated that this will be based on the liability results of this valuation report rolled forward to 12/31/2007 and more recent asset information. It is anticipated that changes will be made prior to the March actuarial certification will also be taken into account.

**Benefit Changes**

One group (SYSCO) improved their early retirement reduction factor. This is reflect in the valuation for the first time this year.

**Assumption Changes**

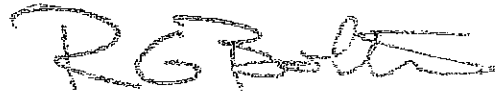
Changes were made in the mortality and retirement rates. In addition, we added a disability assumption.

Robert Bolton and Thomas Lowman are Fellows of the Society of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

The remaining sections of this report set forth details of the valuation as well as the information required for the auditors in accordance with Statement of Financial Accounting Standards No. 35.

Respectfully submitted,

**BOLTON PARTNERS, INC.**



Robert G. Bolton, FSA



Thomas B. Lowman, FSA

/mlg

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**SUMMARY OF DATA**

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Truck Drivers & Helpers Local No. 355  
 Retirement Pension Plan

SERVICE - AGE DISTRIBUTION  
AS OF 01/01/07

SERVICE AGE	UNDER 3	3 - 4	5 - 9	10 - 19	20 - 29	30 +	TOTALS
UNDER 20	1	0	0	0	0	0	1
20 - 24	51	3	0	0	0	0	54
25 - 29	98	29	16	0	0	0	143
30 - 34	104	35	71	10	0	0	220
35 - 39	96	35	112	95	0	0	338
40 - 44	47	21	70	160	17	0	315
45 - 49	39	28	66	107	77	1	318
50 - 54	17	17	36	64	66	12	212
55 - 59	19	5	25	23	22	11	105
60 - 64	6	1	11	10	4	5	37
65 & OVER	1	1	2	0	1	0	5
TOTALS	479	175	409	469	187	29	1,748

Average Age: 41.37  
 Average Service: 9.39  
 Total Number of Actives: 1,748

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**ASSET INFORMATION**

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ASSET STATEMENT  
FOR THE PLAN YEAR ENDED  
DECEMBER 31, 2006

Market Value of Fund as of January 1, 2006 \$296,052,593

Receipts

Employer Contribution for the Plan Year:	\$14,660,051
Withdrawal Liability Contributions	0
Interest and Dividends	7,252,622
Net Gain/(Loss)	26,151,755
Other Income	<u>58,578</u>
Total Receipts	\$48,123,006

Disbursements

Distributions to Participants/Beneficiaries	\$18,432,303
Administrative Expenses	346,815
Investment Expenses	<u>1,127,690</u>
Total Disbursements	\$19,906,808

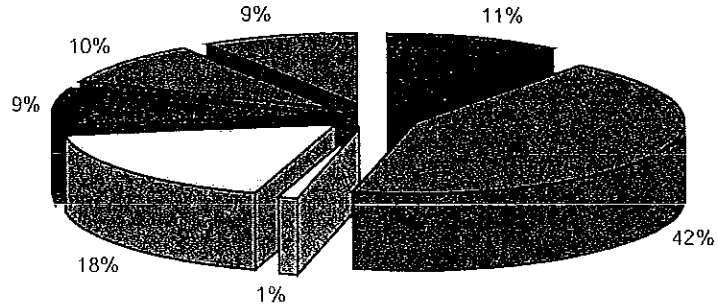
Net Increase/(Decrease) in Assets \$28,216,198

Market Value of Fund as of December 31, 2006 \$324,268,791

**SUMMARY OF ASSETS  
AS OF DECEMBER 31, 2006**

Investments

■	Common Collective Trust
■	Common Stock
□	Cash
□	Bond Mutual Funds
■	Equity Mutual Funds
■	Real Estate Investment Trusts
■	Limited Partnerships

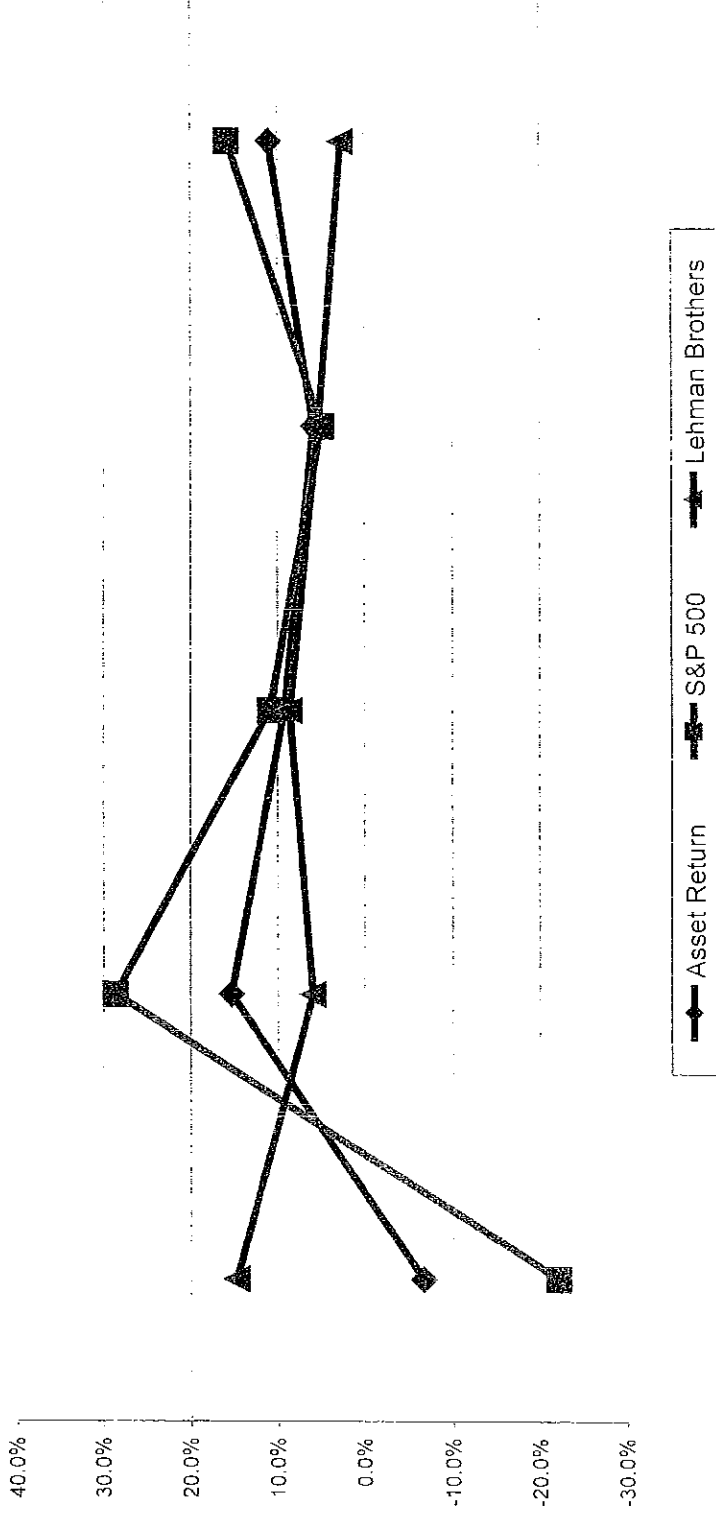


<u>Assets</u>	<u>Market Value</u>	<u>% of Market Value</u>
Common Collective Trust	33,837,541	10.4%
Common Stock	139,047,927	42.9%
Cash Equivalents	3,740,911	1.2%
Bond Mutual Funds	56,840,693	17.5%
Equity Mutual Funds	27,471,459	8.5%
Real Estate Investment Trusts	31,708,368	9.8%
Limited Partnerships	29,361,434	9.0%
<b>Total Investments</b>	<b>\$322,008,333</b>	
Cash Accounts	885,142	0.3%
Interest and Dividends Receivable	133,259	0.0%
Contributions Receivable	1,423,908	0.4%
Property and Equipment	24,883	0.0%
<b>Total Assets</b>	<b>\$324,475,525</b>	<b>100.0%</b>

Liabilities

Accounts Payable and Accrued Expenses	\$206,734
<b>Total Liabilities</b>	<b>\$206,734</b>
<b>Net Assets</b>	<b><u>\$324,268,791</u></b>

HISTORY OF INVESTMENT RETURNS



**ACTUARIAL VALUE OF ASSETS  
AS OF JANUARY 1, 2007**

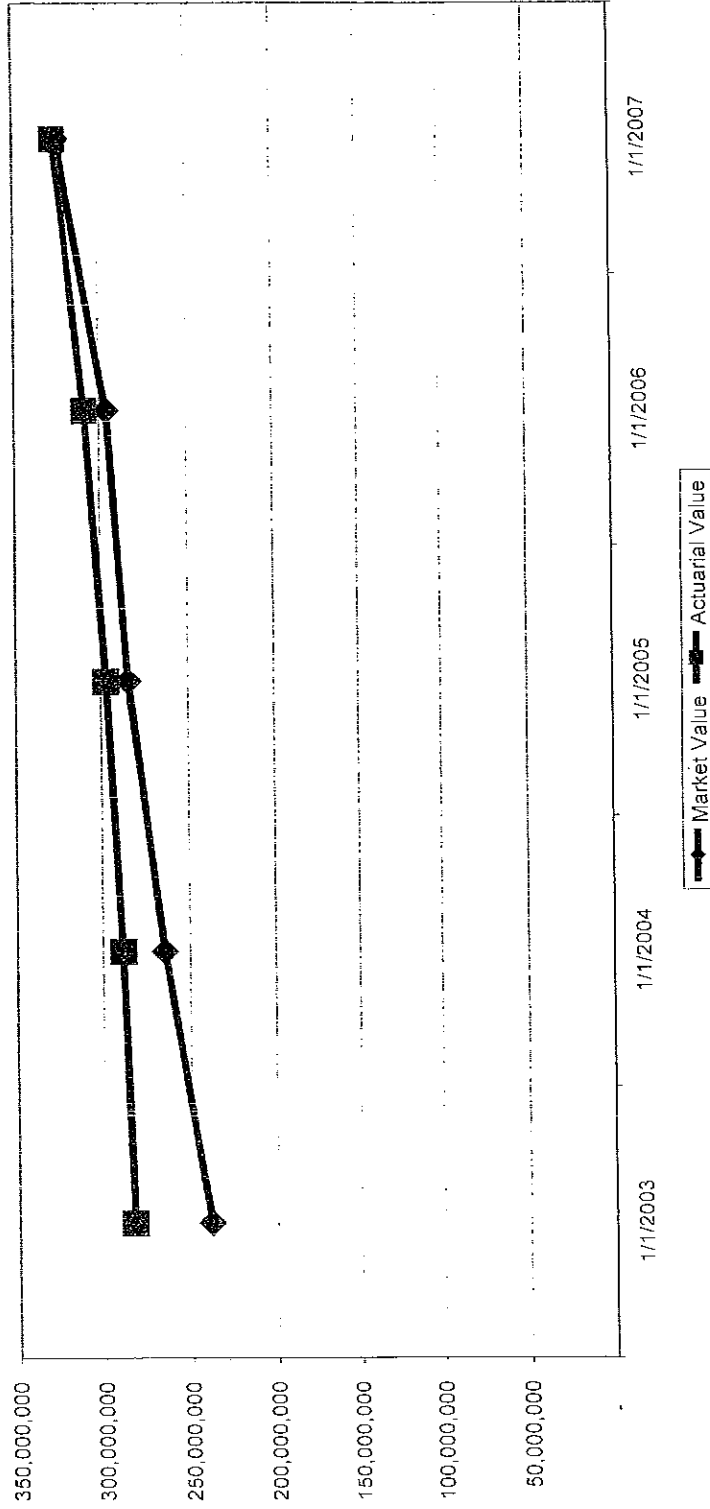
1. Market Value as of January 1, 2006	\$296,052,593
2. Plus: Interest at 8.0%	23,684,207
3. Plus: Contributions	14,660,051
4. Plus: ½ Year Interest at 8.0%	586,402
5. Less: Distributions*	18,779,118
6. Less: ½ Year Interest at 8.0%	751,165
7. Expected Market Value as of December 31, 2006	\$315,452,970
8. Market Value of Fund as of December 31, 2006	\$324,268,791
9. Difference	\$8,815,821
10. 80% of Difference for 2006	\$7,052,657
11. 60% of Difference for 2005	(\$3,664,900)
12. 40% of Difference for 2004	\$1,294,706
13. 20% of Difference for 2003	\$3,395,282
14. Additional Accrued Contribution Included on 2006 Schedule B	\$10,050,326
15. Actuarial Value of Fund as of December 31, 2006 {[(15) = (8) – (10) – (11) – (12) - (13) + (14), not more than 120% of ((8) + (14)) and not less than 80% of ((8) + (14))]	\$326,241,372
16. Market Value of the Fund for Funding Purposes (includes additional Accrued Contribution) (16) = (8) + (14)	\$334,319,117

Actuarial value is 97.6% of market value.

\* *excludes investment fees*

*Truck Drivers & Helpers Local No. 355  
Retirement Pension Plan*

**5-YEAR HISTORY OF MARKET VALUE  
AND ACTUARIAL VALUE**



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**VALUATION RESULTS**

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**ACTUARIAL COST ANALYSIS**

	<u>1/1/2006</u>	<u>1/1/2007</u>
Number of Participants		
Active	1,709	1,748
Retired/Disabled	1,161	1,184
Terminated Vested	<u>620</u>	<u>760</u>
Total	3,490	3,692
Actuarial Present Value of Future Benefits		
Active	\$232,392,674	\$252,694,620
Retired/Disabled	181,587,449	193,764,517
Terminated Vested	<u>30,499,820</u>	<u>48,787,914</u>
Total	\$444,479,943	\$495,247,051
Actuarial Accrued Liability	\$359,853,756	\$405,796,574
Actuarial Value of Assets	\$308,734,173	\$326,241,372
Unfunded Actuarial Accrued Liability	\$51,119,583	\$79,555,202
Normal Cost	\$9,831,812	\$11,795,672
Admin. Expenses	<u>343,477</u>	<u>346,815</u>
Total Normal Cost	\$10,175,289	\$12,142,487
Amortization of Unfunded Actuarial Accrued Liability		
For Minimum	\$5,356,830	\$11,640,643
For Maximum	7,054,005	10,977,844
Full Funding Limitation		
For Minimum	\$148,878,829	\$187,303,083
For Maximum	148,878,829	187,303,083
Credit Balance	\$21,675,758	\$21,951,220
Minimum Contribution		
At End of Year Before Credit Balance		
Credit Balance	\$16,774,689	\$25,685,780
After Credit Balance	0	1,978,462
Maximum Deductible Contribution	\$405,613,298	\$474,820,965
Expected Contribution	\$13,227,941	\$15,259,497

**DEVELOPMENT OF UNFUNDED ACTUARIAL  
 ACCRUED LIABILITY AS OF JANUARY 1, 2007**

Unfunded Actuarial Accrued Liability as of January 1, 2006	\$51,119,583
<i>Plus:</i> Normal Cost as of January 1, 2006	10,175,289
<i>Plus:</i> Interest on Unfunded Actuarial Accrued Liability and Normal Cost	4,903,590
<i>Less:</i> Employer Contribution	15,273,455
<i>Less:</i> Interest on Employer Contributions	42,635
Expected Unfunded Actuarial Accrued Liability as of January 1, 2007	\$50,882,372
Actual Unfunded Liability as of January 1, 2007, before changes	58,700,457
Actuarial Gain/(Loss)	(7,818,085)
Increase in Unfunded Liability due to Amendment	2,659,824
Increase in Unfunded Liability due to Change in Assumptions	18,194,921
Actual Unfunded Liability as of January 1, 2007, after changes	\$79,555,202

**UNFUNDED ACTUARIAL LIABILITY  
 AS OF JANUARY 1, 2007**

Actuarial Liability	
Active	\$163,244,143
Retired/Disabled	193,764,517
Terminated Vested	<u>48,787,914</u>
Total	\$405,796,574
Actuarial Value of Assets	\$326,241,372
Unfunded Actuarial Liability	\$79,555,202

*Truck Drivers & Helpers Local No. 355  
Retirement Pension Plan*

**SCHEDULE OF AMORTIZATION BASES  
AS OF JANUARY 1, 2007  
*For Minimum***

<u>Type</u>	<u>Date Established</u>	<u>Original Balance</u>	<u>Remaining Balance</u>	<u>Amortization Amount</u>	<u>Years Remaining</u>
Reamortization of 1976 Plan	1/1/85	10,167,281	5,762,612	854,145	9
Plan Amendment & Assumption Change	1/1/85	3,037,483	1,598,749	257,599	8
Assumption Change	1/1/86	3,593,223	2,054,893	304,580	9
Plan Amendment	1/1/87	5,524,876	3,392,182	468,088	10
Plan Amendment	1/1/88	381,426	249,042	32,300	11
Plan Amendment	1/1/89	20,806,472	14,333,527	1,761,099	12
Plan Amendment	1/1/90	4,004,331	2,883,497	337,801	13
Assumption Change	1/1/90	2,212,140	1,592,948	186,614	13
Plan Amendment	1/1/91	777,928	582,444	65,415	14
Plan Amendment	1/1/92	4,636,758	3,593,285	388,705	15
Plan Amendment & Assumption Change	1/1/93	3,398,027	2,715,152	284,027	16
Assumption Change	1/1/94	2,482,507	2,038,463	206,922	17
Plan Amendment	1/1/95	5,022,029	4,225,566	417,478	18
Plan Amendment	1/1/96	8,233,027	7,080,492	682,662	19
Plan Amendment	1/1/97	876,829	769,052	72,528	20
Assumption Change	1/1/97	15,660,468	13,735,592	1,295,371	20
Plan Amendment	1/1/98	883,168	788,459	72,883	21
Plan Amendment	1/1/99	532,103	483,332	43,872	22
Plan Amendment	1/1/00	603,902	557,229	49,749	23
Plan Amendment	1/1/01	774,697	725,096	63,767	24
Plan Amendment	1/1/02	65,431	62,041	5,382	25
Assumption Change	1/1/02	19,367,594	18,364,601	1,592,939	25
Funding Method Change	1/1/03	5,199,934	3,582,473	717,540	6
Actuarial Loss	1/1/04	4,207,051	3,704,042	455,100	12
Assumption Change	1/1/04	7,054,317	6,852,157	580,201	27
Actuarial Loss	1/1/05	15,196,576	14,032,436	1,643,897	13
Actuarial Loss	1/1/06	11,913,750	11,474,972	1,288,776	14
Plan Amendment	1/1/07	2,659,824	2,659,824	218,764	30
Assumption Change	1/1/07	18,194,921	18,194,921	1,496,489	30
Actuarial Loss	1/1/07	7,818,085	7,818,085	845,725	15
Total Charges		185,286,158	155,907,164	16,690,418	
<b>Credits</b>					
Employer Withdrawal	1/1/86	(1,296,994)	(741,721)	(109,940)	9
Assumption Change	1/1/89	(7,776,249)	(5,357,045)	(658,197)	12
Assumption Change	1/1/98	(9,804,960)	(8,753,492)	(809,149)	21
Assumption Change	1/1/99	(18,286,352)	(16,610,216)	(1,507,717)	22
Plan Amendment	1/1/03	(23,888,491)	(22,938,268)	(1,964,772)	26
Total Credits		(61,053,046)	(54,400,742)	(5,049,775)	
Totals			101,506,422	11,640,643	

*Truck Drivers & Helpers Local No. 355  
Retirement Pension Plan*

**SCHEDULE OF AMORTIZATION BASES  
AS OF JANUARY 1, 2007**

		<u>For Maximum</u>		
<u>Type</u>	<u>Date Established</u>	<u>Original Balance</u>	<u>Current Balance</u>	<u>Limit Adjustment</u>
Fresh Start	1/1/07	79,555,202	79,555,202	10,977,844
412 Scheduled Amortization Bases			\$101,506,422	
Less: Credit Balance			21,951,220	
Actual Unfunded			\$79,555,202	

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**ACTUARIAL METHODS AND ASSUMPTIONS**

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## ACTUARIAL METHODS AND ASSUMPTIONS

***Method of Funding:***

Unit Credit. The unit credit actuarial cost method divides the cost of funding benefits into two parts: normal cost and actuarial accrued liability. The normal cost is the estimated cost of the benefits that are considered to be accrued in that plan year. The actuarial accrued liability is the estimated cost of all benefits that are considered to have been accrued to the valuation date. The unfunded actuarial accrued liability is the actuarial accrued liability minus plan assets. An actuarial gain or loss is calculated each year based on the change in the unfunded actuarial accrued liability. The total contribution is the normal cost plus a payment to amortize the initial actuarial accrued liability plus (minus) a payment to amortize actuarial losses (gains) that occur. The benefit that is considered to be accrued in a year is the participant's projected benefit divided by his total projected years of service.

***Interest Rate:***

*Valuation:*

8.00% per year compounded annually net of investment expenses, considering the asset allocation of the trust fund, and including inflation.

*Current Liability (RPA):*

5.78% per year compounded annually. The RPA current liability interest rate is chosen from a specified range that is set by law.

*FAS 35:*

7.5% per year compounded annually.

***Mortality:***

For RPA current liability, 1983 GAM, with separate tables for males and females. For valuation and FAS 35, RP-2000 combined healthy with blue collar adjustment, set forward one year for all except disabled members. For disabled members only, RP-2000 combined healthy with blue collar adjustment, set forward eleven years. For the prior year, UP84(1,-5) projected from 2003 using Scale AA was used for all members.

***Expenses:***

Prior year's administrative expenses are added to the Normal Cost.

**ACTUARIAL METHODS AND ASSUMPTIONS**

(continued)

**Retirement Rates:**

For UPS employees:

<u>Age</u>	<u>Rate</u>
50	75% <sup>1</sup>
51	25%
52	50%
53	50%
54	50%
55	60%
56	40%
57	20%
58	15%
59	15%
60	15%
61	10%
62	100%

For all other employees with a 0% ERF:

<u>Age</u>	<u>Rate</u>
55	75% <sup>2</sup>
56	10%
57	10%
58	15%
59	15%
60	15%
61	25%
62	100%

For all other employees with a 6% ERF:

<u>Age</u>	<u>Rate</u>
55	25%
56	10%
57	10%
58	15%
59	15%
60	15%
61	25%
62	100%

<sup>1</sup> Prior year's assumption was 25%.

<sup>2</sup> Prior year's assumption was 25%.

**ACTUARIAL METHODS AND ASSUMPTIONS**

*(continued)*

***Withdrawal:***

Table 6 of the *Actuaries' Pension Handbook*. Representative rates are:

<u>Age</u>	<u>Rate</u>
25	7.72%
40	6.11%
55	1.37%

***Disability Rates***

*(new assumption added in  
2007 valuation):*

<u>Age</u>	<u>Rate</u>
<30	0.00%
30-39	0.10%
40-49	0.20%
50+	0.30%

***Asset Valuation Method:***

“Smoothed Market Value with Phase-in” as described in Revenue Procedure 98-10, Section 3.16 (“Approval 16”), with a five-year smoothing period. Accrued contributions (included on the Schedule B) are included in the asset value.

***Pre-Retirement Spouse's Benefit:***

80% assumed to be married. Female spouse 4 years younger.

***Expected Hours Worked:***

Active participants are assumed to work 1,900 hours per year.



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STATEMENT OF FINANCIAL  
ACCOUNTING STANDARDS NO. 35

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STATEMENT OF FINANCIAL ACCOUNTING  
STANDARDS NO. 35

Statement of Accumulated Plan Benefits as of January 1, 2007

Actuarial Present Value of Accumulated Plan Benefits	
Vested Benefits:	
Participants Currently Receiving Payments	\$201,720,287
Other Participants	<u>212,337,916</u>
Total Vested Benefits	\$414,058,203
Non-Vested Benefits	<u>\$14,655,956</u>
Total Actuarial Present Value of Accumulated Plan Benefits	\$428,714,159
Market Value of Assets	\$324,268,791

The interest rate used in determining the present value of accumulated plan benefits was 7.5%.

*Statement of Changes in Accumulated Plan Benefits*  
For the Year Ended December 31, 2006

Actuarial Present Value of Accumulated Plan Benefits as of January 1, 2006		\$378,885,792
Increase (Decrease) During the Year Attributable to:		
Interest	27,725,223	
Plan Experience <sup>1</sup>	18,460,288	
Benefits Paid	(18,432,303)	
Assumption Change	19,242,313	
Plan Amendment <sup>2</sup>	<u>2,832,846</u>	
Net Increase		<u>49,828,367</u>
Actuarial Present Value of Accumulated Plan Benefits as of December 31, 2006		\$428,714,159

<sup>1</sup> Includes benefit accruals and liability losses.

<sup>2</sup> SYSCO change from 6% early retirement reduction to 0%.

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**SUMMARY OF PLAN PROVISIONS**

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**SUMMARY OF PLAN PROVISIONS**

**Effective Date:** January 1, 1959.

**Plan Year:** January 1 to December 31.

**Eligibility:** An employee of a Participating Employer, for whom the Participating Employer is obligated to make contributions under the Plan, shall become a participant as of his date of hire. Eligible employees may also include employees of the Joint Board of Trustees of Truck Drivers & Helpers Local Union No. 355 Retirement Pension Plan, if the Joint Board of Trustees has elected in writing to cover employees of the Plan.

**Future Service Benefit Credits:** Based upon the number of hours worked in each Plan Year, in accordance with the following table:

<u>Hours of Service</u>	<u>Future Service Benefit Credits</u>
1,500 or more	12
1,375 to 1,499	11
1,250 to 1,374	10
1,125 to 1,249	9
1,000 to 1,124	8
875 to 999	7
750 to 874	6
625 to 749	5
500 to 624	4
375 to 499	3
250 to 374	2
125 to 249	1
Less than 125	0

**Past Service Benefit Credits:** Those Benefit Credits earned during the period of employment for each calendar year from a Participant's Employment Date to his or her Initial Date of Participation with the same Employer providing a Break in Service did not occur, in accordance with the schedule for Future Service benefit Credits.

**Benefit Credits:** The total of Future Service Benefit Credits and Past Service Benefit Credits.

**SUMMARY OF PLAN PROVISIONS**  
(continued)

***Vesting Credits:***

Vesting Credits earned for Hours of Service during a calendar year on the following basis:

<u>Hours</u>	<u>Vesting Credits</u>
1,000 or more	2
500 to 999	1
Less than 500	0

***Normal Retirement:  
Eligibility***

The first day of the month coinciding with or next following the date on which the Participant attains the earlier of:

- (a) The age requirement specified in the following paragraph, and completion of at least one hundred twenty (120) Benefit Credits; or
- (b) the later of the Participant's attainment of age sixty-five (65), or the fifth anniversary of the Participant's initial participation in the Plan (without regard to Vesting Credits or Benefit Credits). Plan participation prior to January 1, 1990 is disregarded for this purpose.

The age requirement for normal retirement is the attainment of:

- (a) Age sixty-two (62), for any Participant terminating service after December 31, 1989, provided that the participant earned at least one Benefit Credit after December 31, 1989;
- (b) Age sixty-three (63), if the requirements of subparagraph (a) have not been satisfied, for a Participant terminating service after December 31, 1988, provided that the Participant earned at least one Benefit Credit after December 31, 1988;
- (c) Age sixty-four (64), if the requirements of subparagraphs (a) and (b) have not been satisfied, for a Participant terminating service after October 31, 1987, provided that the Participant earned at least one Benefit Credit after October 31, 1987; or
- (d) Age sixty-five (65), if the Participant terminated service prior to November 1, 1987, or if the requirements of subparagraphs (a), (b), or (c) have not been satisfied.

SUMMARY OF PLAN PROVISIONS

*(continued)*

*Benefit*

The sum of the products of Benefit Accrual factors and Benefit Credits for specific periods of service with an Employer. Benefit Credits earned during each period of service are multiplied by the Benefit Accrual Factor assigned to that period of service, to determine the increment of Accrued Benefit earned during the period. The Accrued Benefit payable at the Participant's Normal Retirement Date is equal to the sum of the increments of Accrued Benefit computed separately for each period. If a Participant has been employed by more than one participating Employer, his or her total Accrued Benefit shall be the sum of the separate Accrued Benefits earned while employed by each Participating employer.

To qualify for the benefit Accrual Factor for a particular period of service, a Participant must earn at least one (1) Future Service Benefit Credit during that period of service.

The benefit plan designated by each Participating Employer's collective bargaining agreements are illustrated in the following schedule:

**SUMMARY OF PLAN PROVISIONS**

*(continued)*

Other future changes effective after the end of the current plan year are not reflected in the valuation because of its multi-employer status.

***Early Retirement:***

*Eligibility*

Age 55 with at least 20 Vesting Credits and 120 Benefit Credits. For UPS employees, age 50 with at least 20 Vesting Credits and 120 Benefit Credits.

If a Participant has been employed by more than one participating Employer, the Participant's total Accrued benefit payable at his or her Normal Retirement Date is the sum of the separate Accrued Benefits earned while employed by each Participating employer. To determine the amount of benefit payable upon Early Retirement, each component of Accrued Benefit attributable to years of service with each Participating Employer shall be reduced separately, taking into account the Participant's Normal Retirement Age under the Plan, the reduction factor for early retirement and the age requirement for early retirement for early retirement which were applicable under the Collective Bargaining Agreement at the time of termination of employment with each participating Employer. Components of the reduced Accrued Benefit may become payable at different ages, depending upon the age requirement for early retirement attributable to each component.

*Benefit*

Accrued Benefit based on Credited Service at early retirement, reduced by the early reduction factor listed on the benefit plan schedule that is applicable to the Participant's Participating Employer for each year that payment precedes Normal Retirement Date.

***Disability Retirement:***

*Eligibility*

(a) In the event of Disability resulting from illness or disease, the Disability occurs on or after the date the Participant attains age fifty (50) and completes at least one hundred twenty (120) Future Service Benefit Credits. If a Participant becomes Disabled on or after attainment of age forty-seven (47) but prior to attainment of age fifty (50), then the Participant shall be eligible for Disability Benefits on the attainment of age fifty (50) provided that he or she would otherwise be eligible; or

**SUMMARY OF PLAN PROVISIONS**

*(continued)*

(b) In the event of Disability resulting from bodily injury, the Disability occurs before the participant has attained his or her Normal Retirement Date, and on or after the date the Participant completes at least sixty (60) Future Service benefit Credits.

*Benefit*

Accrued Benefit based on Credited Service at date of disability, with no reduction for early payment.

*Benefit Limits:*

Effective December 31, 2001, the Plan was amended so that the maximum benefit permitted to be paid for all future years corresponds to limitations in effect per Section 415 of the Internal Revenue Code for 2001.

*Termination Of Employment:*

*Vesting*

100% after 20 Vesting Credits. For employees of Truck Drivers & Helpers Local Union No. 355, Local Union No. 355 Health & Welfare Fund, or Local Union No. 355 Retirement Pension Plan, 100% after 10 Vesting Credits.

*Benefit*

Vested Accrued Benefit based on Credited Service at date of termination, deferred until Normal Retirement Date. If eligible, the participant can retire on his Early Retirement date with benefit reduced by the factor for his Employer's Benefit Plan.

*Form Of Benefit:*

Life Annuity for unmarried participants; qualified Joint and 100% Survivor Annuity (with spouse as beneficiary) for married participants. Effective 10/1/2003 there is a charge for the qualified Joint and 100% Survivor Annuity.

*Pre-Retirement Death Benefit:*

Upon the death of a married vested participant, his spouse shall receive a monthly benefit, payable for life, equal to the spouse's portion of the Joint and 100% Survivor Annuity, calculated as if the participant had retired on the date of his death.



**SUMMARY OF PLAN PROVISIONS**

*(continued)*

***Labor Trustees:***

David White, Sr.  
Truck Drivers & Helpers Local Union No. 355  
1030 South Dukeland Street  
Baltimore, MD 21223

Denis J. Taylor  
Truck Drivers & Helpers Local Union No. 355  
1030 South Dukeland Street  
Baltimore, MD 21223

***Management Trustees:***

Eric J. Leister, Jr.  
Capitol Carbonic Corp.  
5626 Southwestern Boulevard  
Baltimore, MD 21227

David J. Granek  
Carisam-Samuel Meisel  
2707 Rolling Road  
Baltimore, MD 21244

***Accountant:***

Thomas F. Cardegna, CPA  
Handwerger, Cardegna, Funkhouser and Lurman, P.A.  
1104 Kenilworth Drive, Suite 300  
Towson, MD 21204

***Actuary:***

Thomas B. Lowman, FSA  
Bolton Partners, Inc.  
575 South Charles Street, Suite 500  
Baltimore, MD 21201

***Attorney:***

Kimberly L. Bradley, Esq.  
Abato, Rubenstein & Abato, P.A.  
809 Gleneagles Court, Suite 320  
Baltimore, MD 21286

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**FULL FUNDING LIMITATION  
AND OTHER SCHEDULES**

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DETERMINATION OF CURRENT LIABILITY  
AS OF JANUARY 1, 2007

	<u>Number of Participants</u>	<u>RPA 94 Current Liability</u>
Active Participants	1,748	\$231,989,821
Vested		212,309,262
Non-Vested		19,680,559
Retired/Disabled Participants	1,184	242,981,820
Terminated Vested Participants	760	72,170,862
<b>Total</b>	<b>3,692</b>	<b>\$547,142,503</b>
Value of Benefits Accruing During the Year		\$17,152,584
Expected Benefit Payments During the Year		21,261,131
Interest Rate		5.78%
Mortality Table		1983 GAM

**FULL FUNDING LIMITATION  
FOR MINIMUM FUNDING**

The Full Funding Limitation for Minimum Funding establishes the maximum net charge to the Funding Standard Account calculated without regard for contributions or credit balance. If the net charge exceeds this limit then a special credit is taken on the Schedule B of Form 5500. The net charge for the Plan does not exceed this limitation.

The RPA liabilities are computed at 5.78% and 1983 GAM mortality.

**FULL FUNDING LIMITATION FOR MINIMUM  
FUNDING AS OF DECEMBER 31, 2007**

	<u>ERISA</u>	<u>RPA</u>
I. Projected Liabilities		
1. Accrued Liability as of January 1, 2007	\$405,796,574	\$547,142,503
2. Normal Cost	12,142,487	17,152,584
3. Expected Benefit Payments as of mid-year	N/A	21,261,131
4. Interest Rate	8.00%	5.78%
5. Net Interest	<u>33,435,125</u>	<u>32,001,809</u>
6. Expected Liability as of December 31, 2007 [(1) + (2) - (3) + (5)]	\$451,374,186	\$575,035,765
	<u>ERISA</u>	<u>RPA</u>
II. Projected Assets for Minimum Funding		
1. Market Value of Assets as of January 1, 2007	\$334,319,117	N/A
2. Actuarial Value of Assets as of January 1, 2007	326,241,372	\$326,241,372
3. Lesser of (1) and (2)	326,241,372	326,241,372
4. Credit Balance as of January 1, 2007	21,951,220	N/A
5. Expected Benefit Payments as of mid-year	N/A	21,261,131
6. Interest at Valuation Rate	<u>24,343,212</u>	<u>25,248,865</u>
7. Expected Assets for Minimum Funding as of December 31, 2007 [(3) - (4) - (5) + (6)]	\$328,633,364	\$330,229,106

**FULL FUNDING LIMITATION FOR MINIMUM  
 FUNDING AS OF DECEMBER 31, 2007**  
 (continued)

	<u>ERISA</u>	<u>RPA</u>
III. Full Funding Limitation for Minimum Funding		
1. Expected Liability	\$451,374,186	\$575,035,765
2. Liability Percentage	100%	90%
3. Funding Limit Liability [(1) x (2)]	\$451,374,186	\$517,532,189
4. Expected Assets for Minimum Funding	328,633,364	330,229,106
5. Preliminary Full Funding Limitation [(3) - (4), not less than zero]	\$122,740,822	\$187,303,083
6. Full Funding Limitation [greater of (5) from ERISA or (5) from RPA column]	\$187,303,083	

**FULL FUNDING LIMITATION FOR  
MAXIMUM DEDUCTIBLE CONTRIBUTION**

The Full Funding Limitation for Maximum Funding provides one of several components in the calculation of the limit for deductible contributions. The Maximum Deductible Limitation is the greater of:

- (1) 140% Current Liability on RPA basis less actuarial value of assets, and
- (2) The lesser of:
  - (a) Normal Cost plus Ten Year Amortization of the Unfunded Actuarial Accrued Liability, or
  - (b) Full Funding Limitation for Maximum Funding.

For the current year, the 140% Current Liability deductible limit is \$474,820,965, the Normal Cost plus Amortization with interest is \$24,969,957, and the Full Funding Limitation for Maximum is \$187,303,083. Therefore, the maximum deductible limitation is \$474,820,965.

The RPA liabilities are computed at 5.78% and 1983 GAM mortality.

**FULL FUNDING LIMITATION FOR MAXIMUM  
DEDUCTIBLE AS OF DECEMBER 31, 2007**

	<u>ERISA</u>	<u>RPA</u>
I. Projected Liabilities		
1. Accrued Liability as of January 1, 2007	\$405,796,574	\$547,142,503
2. Normal Cost	12,142,487	17,152,584
3. Expected Benefit Payments as of mid-year	N/A	21,261,131
4. Interest Rate	8.00%	5.78%
5. Net Interest	<u>33,435,125</u>	<u>32,001,809</u>
6. Projected Liability as of December 31, 2007 [(1) + (2) - (3) + (5)]	\$451,374,186	\$575,035,765
	<u>ERISA</u>	<u>RPA</u>
II. Projected Assets for Maximum Funding		
1. Market Value of Assets as of January 1, 2007	\$334,319,117	N/A
2. Actuarial Value of Assets as of January 1, 2007	326,241,372	\$326,241,372
3. Lesser of (1) and (2)	326,241,372	326,241,372
4. Expected Benefit Payments as of mid-year	N/A	21,261,131
5. Interest at Valuation Rate	<u>26,099,310</u>	<u>25,248,865</u>
6. Projected Assets for Maximum Funding as of December 31, 2007 [(3) - (4) + (5)]	\$352,340,682	\$330,229,106



**FULL FUNDING LIMITATION FOR MAXIMUM  
DEDUCTIBLE AS OF DECEMBER 31, 2007**  
 (continued)

	<u>ERISA</u>	<u>RPA</u>
III. Full Funding Limitation for Maximum Funding		
1. Projected Liability	\$451,374,186	\$575,035,765
2. Liability Percentage	100%	90%
3. Funding Limit Liability [(1) x (2)]	451,374,186	517,532,189
4. Projected Assets for Maximum Funding	352,340,682	330,229,106
5. Preliminary Full Funding Limitation [(3) - (4), not less than zero]	99,033,504	187,303,083
6. Full Funding Limitation [greater of (5) from ERISA or (5) from RPA column]	\$187,303,083	
IV. Unfunded Current Liability Deductible Limit [140% of RPA Projected Liability – RPA Projected Assets]		\$474,820,965

*Truck Drivers & Helpers Local No.355  
Retirement Pension Plan*

We have not prepared a 30 year Projection of the Credit balance in this year's report since we are currently discussing plan changes. If no changes are made, the projection would be similar to last year's projection and the plan would be in the "red zone".