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FOX VALLEY AND VICINITY LABORERS PENSION FUND

NOTICE OF ENDANGERED STATUS

TO: All Participants, Beneficiaries, Participating Local Unions, and Contributing Employers

FROM: Board of Trustees, Fox Valley and Vicinity Laborers Pension Fund

DATE: September 28, 2012

The Pension Protection Act of 2006 ("PPA") requires the Board of Trustees of the Fox Valley and Vicinity Laborers Pension Fund (the "Plan") to annually evaluate the funded status of the Plan. In general, PPA defines three levels of concern for multiemployer pension plans: #1) Endangered; #2) Seriously Endangered; or #3) Critical. The potential severity of concern for plan participants increases from #1 to #3. Plans that do not meet any of these three levels of concern must still report to the U.S. Department of the Treasury, but these plans are not considered to be a significant risk and are therefore not required to provide the information contained in this notice.

This will notify you that the Plan's actuary certified to the U.S. Department of the Treasury and to the Board of Trustees on August 29, 2012 that the Plan is in endangered status (#1 above) for the plan year beginning June 1, 2012. Federal law requires that you receive this notice. This notice is intended to meet the disclosure requirements of the PPA and to inform you of the status of the Plan.

Endangered Status (Yellow Zone) for 2012

The Plan is considered to be in endangered status because its funded percentage is below 80%. More specifically, the Plan's actuary determined that the Plan's projected funded percentage was 78% as of June 1, 2012. The above funded percentage is based on an actuarially smoothed asset value that does not fully reflect investment losses in 2008 and 2011, or investment gains in 2009 and 2010.

Funding Improvement Plan

Federal law requires pension plans in endangered status to adopt a Funding Improvement Plan aimed at improving the financial health of the plan. A Funding Improvement Plan must meet certain benchmarks for improving the Plan's financial condition over a period of years.

The Plan was amended June 1, 2010 so that benefits earned on and after this date will be equal your accrued benefit as of May 31, 2010 plus 1.50% of employer contributions made on your behalf on or after June 1, 2010. A notice was sent to participants in 2010 summarizing this change. This action is expected to satisfy the funding improvement benchmarks that are required under a Funding Improvement Plan.

Where to Get More Information

For more information about this notice, you may contact the Board of Trustees, c/o Ms. Pat Shales, Administrator, Fox Valley and Vicinity Laborers Pension Fund, 2400 Big Timber Road, Building B, Suite 206, Elgin, Illinois 60124-7812; or call (847)-742-0900; Toll Free (866)-828-0900. If you would like to review the Funding Improvement Plan, you have a right to receive a copy.

Critical or Endangered Status

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

The Plan is in endangered status in the Plan Year ending May 31, 2012 because the Plan has a funded percentage less than 80 percent.

In an effort to improve the Plan's funding situation, a funding improvement plan was adopted by the Trustees in January 2011. You may obtain a copy of the Plan's funding improvement plan and the actuarial and financial data that demonstrate any action taken by the plan toward fiscal improvement by contacting the plan administrator.

The Plan is also in endangered status for the Plan Year beginning June 1, 2012. A separate notice regarding the Plan's endangered status is enclosed in this mailing.

Participant Information

The total number of participants in the plan as of the Plan's valuation date, June 1, 2011, was 4,370. Of this number, 1,602 were active participants, 870 were retired or separated from service and receiving benefits, and 1,898 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure for establishing a funding policy to carry out plan objectives. A funding policy relates to the level of assets needed to pay for benefits promised under the plan currently and over the years. The funding policy of the Plan is to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974 and comply with the provisions of the funding improvement plan.

Once money is contributed to the Plan, the money is invested by Plan officials called fiduciaries, who make specific investments in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning investment management decisions. The investment policy of the Plan is to invest in a diversified portfolio of assets that is designed to meet or exceed an annual rate of return of 7.75% per year over the long term while maintaining sufficient liquidity to pay Plan benefits and administrative expenses.

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets.

Asset Allocations	**Percentage**
1. Interest-bearing cash	0.9%
2. U.S. Government securities	
3. Corporate debt instruments (other than employer securities):	
Preferred	
All other	
4. Corporate stocks (other than employer securities):	
Preferred	
Common	
5. Partnership/joint venture interests	
6. Real estate (other than employer real property)	
7. Loans (other than to participants)	
8. Participant loans	
9. Value of interest in common/collective trusts	19.2%
10. Value of interest in pooled separate accounts	
11. Value of interest in master trust investment accounts	
12. Value of interest in 103-12 investment entities	
13. Value of interest in registered investment companies (e.g., mutual funds)	77.3%
14. Value of funds held in insurance co. general account (unallocated contracts)	1.9%
15. Employer-related investments:	
Employer Securities	
Employer real property	
16. Buildings and other property used in plan operation	0.7%
17. Other	

For information about the Plan's investment in any of the following types of investments as described in the chart above - common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities - contact the Plan administrator at the address at the end of this notice.

Events with Material Effect on Assets or Liabilities

Federal law requires the plan administrator to provide in this notice a written explanation of events, taking effect in the current plan year, which are expected to have a material effect on plan liabilities or assets. Material effect events are occurrences that tend to have a significant impact on a plan's funding condition. An event is material if it, for example, is expected to increase or decrease Total Plan Assets or Plan Liabilities by five percent or more. For the plan year beginning on June 1, 2012 and ending May 31, 2013, there are no events expected to have a material effect on assets and liabilities.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report called the Form 5500 that contains financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. For 2009 and subsequent plan years, you may obtain an electronic copy of the Plan's annual report by going to www.efast.dol.gov and using the Form 5500 search function. You may also obtain a copy of the Plan's annual report by making a written request to the Plan administrator. Individual information, such as the amount of your accrued benefit under the Plan, is not contained in the annual report. If you are seeking information regarding your benefits under the Plan, contact the Plan administrator identified below under "Where To Get More Information."

Summary of Rules Governing Plans in Reorganization and Insolvent Plans

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

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

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

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of $500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($500/10), which equals $50.

The guaranteed amount for a $50 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

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

Where to Get More Information

For more information about this notice, you may contact:

Board of Trustees
c/o Ms. Pat Shales, Administrator
Fox Valley and Vicinity Laborers Pension Fund
2400 Big Timber Road, Building B
Suite 206
Elgin, Illinois 60124-7812
(847)-742-0900
Toll Free (866)-828-0900

For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 36-6147409.

For more information about the PBGC and multiemployer benefit guarantees, go to PBGC's website, www.pbgc.gov.