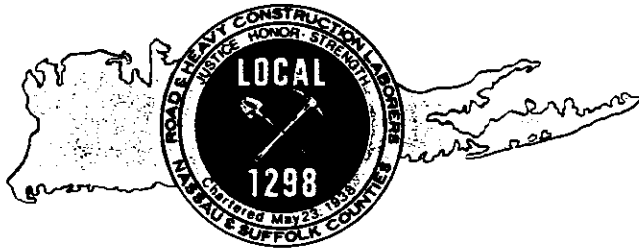


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BENEFIT FUNDS - LABORERS LOCAL UNION NO. 1298

NASSAU & SUFFOLK COUNTIES



681 FULTON AVENUE
P.O. BOX 309
HEMPSTEAD, N.Y. 11551-0309
Telephone: (516) 489-3644
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FUND ADMINISTRATOR
ANNALISA DEFALCO, ESQ.

ASSISTANT FUND ADMINISTRATOR
JOHN H. SHANNON

BOARD OF TRUSTEES
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MARC HERBST

Notice of Endangered Status

For

Laborers Union Local No. 1298 Of Nassau and Suffolk Counties Pension Fund

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

As you may know, the Pension Protection Act of 2006 (PPA) has added requirements for measuring the financial health of multiemployer plans such as ours.

Starting with the 2008 plan year, the PPA requires that a Pension Fund's actuary determine the Fund's status under these new rules annually and certify that status to the IRS and the Trustees (who are the plan sponsor). If the actuary determines that the Fund is in "endangered" status ("yellow zone") or "critical" status ("red zone") for the year, the Trustees must notify all plan participants, employers and other stakeholders and take corrective action to restore the financial health of the plan.

Yellow Zone Status

This letter will serve as the Notice that, on September 26, 2008, our Pension Fund's actuary certified that the Fund is in "endangered" status for the 2008 plan year. This determination was made because, based on the PPA's new funding measures, the Fund is currently less than 80% funded. "Endangered" is a label that the law requires us to use, but in fact the Fund is meeting its funding goals and is expected to continue doing so into the future.

The PPA also requires that any pension fund in the yellow zone adopt a "Funding Improvement Plan" (FIP). The FIP is an action plan designed to improve the plan's funding percentage and avoid any accumulated funding deficiency. Our FIP will be developed by late this fall and a notice describing it will be provided to the bargaining parties shortly after that.

Funding Improvement Plan

The negotiated contribution rates already in effect for the Laborers Union Local No. 1298 of Nassau and Suffolk Counties Pension Fund are expected to be sufficient to fund the benefits that participants are earning each year and to pay the Fund's operating costs. We expect that the Plan's funding percentage will continue to improve, in line with the requirements of the PPA, but that will depend on how the plan's assets fare in the face of investment market uncertainty.

The Board does not expect that any other changes will be needed to meet the PPA's requirement for a FIP, while the current CBA (Collective Bargaining Agreement) is in effect. Please note that the PPA requires that our Plan's funding status be reviewed and certified annually and notices like this one, explaining the outcome, will be sent each year until our plan is no longer in the yellow zone. While our goal is to remain on track with the Plan's funding schedule noted above, there are several variables beyond our control that our advisors are monitoring, including investment market volatility and changes in employment levels and/or the number of contributing employers.

We understand that legally required notices like this one can create anxiety and concern about the Pension Fund's future. The Board of Trustees remains confident that the Fund will continue to provide our participants and their families with secure retirement benefits.

In the event you have questions or would like additional information, you may contact the Board of Trustees or the Fund Administrator, Annalisa DeFalco, Esq., at 681 Fulton Avenue, Hempstead, N.Y. 11550, Telephone 516-489-3644.

Sincerely,

The Board of Trustees

cc: US Department of Labor
US Pension Benefit Guaranty Corporation