

Laborers Local #265 Pension Fund
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Notice of Plan Status

February 27, 2009

To: Participants, Beneficiaries, Laborers Local 265 and Contributing Employers

The Pension Protection Act (PPA or Act), signed into law in 2006, is intended to improve the financial condition of pension plans by implementing several safeguards. In addition, the Act contains notification requirements to share more information about a plan's "financial health" with participants and others directly related to the plan.

Please note that PPA requires that our Plan's funding status be reviewed and certified annually and notices like this one will be sent each year. Under PPA all plans must now monitor a number of variables that affect plan funding levels such as market volatility and changes in participation and/or the number of contributing employers. These variables may affect a plan's status and the options available to Trustees to take corrective action in the future.

Many of the Act's safeguard provisions relate to funding, which, in simplest terms, is how much a plan has coming in, going out and in reserve (or "in the bank") for the future. The safeguards are intended to create more discipline to prevent and correct avoidable funding problems.

Starting with the 2008 plan year, the Act requires that the Pension Plan be tested annually to determine how well it is funded. Benchmarks for measuring a plan's funding, with formal labels, were established. Plans that are in the yellow ("seriously endangered" or "endangered") or red ("critical") zones must notify all Plan participants, beneficiaries, unions and contributing employers of the Plan's status, as well as take corrective action to restore the Plan's financial health.

The Board of Trustees has elected to use the Plan's 2007 PPA certification for this notice, as allowed under the Worker, Retiree and Employer Recovery Act (WRERA). As of November 1, 2007, the Plan's Actuary has certified that the Plan is not Endangered, Seriously Endangered or Critical, as defined by PPA. This 2008 certification is based on the Plan's November 1, 2007 Actuarial Valuation.

Earlier this month we sent you an "Important Notice of Reduction of Rate of Future Benefit Accruals" announcing a change in the Plan's benefit formula. Because securities market conditions have continued to deteriorate since the Trustees approved this change the Trustees may need to make further changes to Plan benefits in the future.