Notice of Endangered Status For the
Lumber Employees No. 786 Retirement Fund

December XX, 2012

The Pension Protection Act of 2006 (PPA) requires that a Pension Fund’s actuary determine the Fund’s status each plan year and certify that status to the IRS and the Trustees. On November 27, 2012, the Plan’s actuary certified that, although not in critical or seriously endangered status, the Plan is in endangered status for the plan year beginning September 1, 2012 because the Plan is expected to be less than 80% funded during the 2012 year. Federal law requires that if the Fund’s status for a plan year is in “endangered” zone, the Trustees must notify all plan participants and employers in writing, as well as take corrective action to restore the financial health of the plan.

Endangered Status
This letter will serve as the Notice that the Fund is in “endangered” status for the plan year beginning September 1, 2012.

Funding Improvement Plan (FIP)
Federal law requires pension plans in endangered status to adopt a Funding Improvement Plan (FIP). The FIP is an action plan designed to restore the Plan to financial health, improve the balance of assets and liabilities and to avoid any accumulated funding deficiency.

The Trustees adopted a FIP prior to July 28, 2011. The plan consists of actions which, based on reasonably anticipated experience and under reasonable actuarial assumptions, will result in the plan meeting certain funding improvement benchmarks within a 10 year period. The funding improvement period is currently set for September 1, 2013 through August 31, 2023.

Where to Get More Information
For more information about this Notice, you may contact Mr. Jeff Hoff at Lumber Employees No. 786 Retirement Fund, 300 South Ashland Avenue, Room 501, Chicago, IL 60607, (312) 666-1875.

You have a right to receive a copy of the funding improvement plan from the plan office.

Sincerely,
The Board of Trustees