IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

LABORERS' PENSION FUND and)
LABORERS' WELFARE FUND OF THE)
HEALTH AND WELFARE DEPARTMENT)
OF THE CONSTRUCTION AND GENERAL)
LABORERS' DISTRICT COUNCIL OF)
CHICAGO AND VICINITY, and JAMES S.)
JORGENSEN, Administrator of the Funds,)
Plaintiffs,) Case No.: 08 C 5958
v.)
) Judge Kennelly
CENTRAL SUBURBAN CONTRACTING &)
MAINTENANCE, INC. an Illinois corporation,)
DENNIS VOLPE, individually, and GREGORY)
D. REED, individually,)
)
Defendants.)

MOTION TO REINSTATE AND CONFESS JUDGMENT

Now come Plaintiffs Laborers' Pension Fund and Laborers' Welfare Fund for the Health and Welfare Department of the Construction and General Laborers' District Council of Chicago and Vicinity and James S. Jorgensen, Administrator of the Funds ("Funds"), by and through their attorney, Patrick T. Wallace, and hereby move this Court to reinstate and confess judgment against Defendants Central Suburban Contracting & Maintenance, Inc. ("Central Suburban" or the "Company"), Dennis Volpe and Gregory D. Reed based on the Defendants' failure to pay amounts due on an Installment Note reached in settlement of this case. In support of this Motion, Plaintiffs state as follows:

1. Pursuant to the parties' Settlement Agreement and Agreed Motion to Dismiss, this
Court entered an Order dismissing the matter without prejudice and retaining jurisdiction to
enforce the terms of the Installment Note and Guaranty of Payment and Indemnification reached

by the parties in settlement of the case through December 1, 2009. A true and accurate copy of the Court's Order is attached hereto as Exhibit A.

2. The Company is in default on the Installment Note. Specifically, the Company

has failed to submit its July 2009 installment due on the Note. In addition, the Company has

failed to submit current benefit reports and contributions for the period of April 2009 forward.

Finally, the Company has failed to submit timely Installment Note payments for the period of

January through June 2009. See Affidavit of James Fosco attached hereto as Exhibit B, ¶ 5.

3. Accordingly, Plaintiffs respectfully request that this Court reinstate this case and

enter judgment in favor of the Funds and against Defendants Central Suburban, Dennis Volpe

and Gregory D. Reed in the amount of \$19,172.00 representing \$18,669.50 due on the defaulted

Installment Note and \$502.50 in attorneys' fees (see Declaration of Patrick T. Wallace attached

hereto as Exhibit C) incurred by the Funds in enforcing the amounts due on the Installment Note

and bringing this Motion.

WHEREFORE, Plaintiffs respectfully request that this Court reinstate this case and enter

judgment in favor of the Funds and against Defendants Central Suburban Contracting &

Maintenance, Inc., Dennis Volpe and Gregory D. Reed in the amount of \$19,172.00.

Respectfully submitted,

July 10, 2009

Laborers' Pension Fund, et al.

By: /s/ Patrick T. Wallace

Office of Fund Counsel Laborers Pension and Welfare Funds 111 W. Jackson Blvd., Suite 1415 Chicago, IL 60604 312/692-1540

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Case 1:08-cv-05958 Document 11-2 Filed 12/17/2008 Page 1 of 1



IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

LABORERS' PENSION FUND and
LABORERS' WELFARE FUND OF THE
HEALTH AND WELFARE DEPARTMENT
OF THE CONSTRUCTION AND GENERAL
LABORERS' DISTRICT COUNCIL OF
CHICAGO AND VICINITY, and JAMES S.
JORGENSEN, Administrator of the Funds,

Plaintiffs,

Case No.: 08 C 5958

Judge Kennelly

CENTRAL SUBURBAN CONTRACTING & MAINTENANCE, INC. an Illinois corporation,)
DENNIS VOLPE, individually, and GREGORY)
D. REED, individually,

Defendants.

ORDER OF DISMISSAL

This matter having come before the Court pursuant to the parties' Settlement Agreement and Agreed Motion to Dismiss, it is hereby ordered that this matter is dismissed pursuant to the terms of the Installment Note and Guaranty of Payment and Indemnification against Defendants Central Suburban Contracting & Maintenance, Inc., Dennis Volpe and Gregory D. Reed with this Court retaining jurisdiction to enforce the terms thereof through December 31, 2009.

 Date:	1	12	(8/	00		
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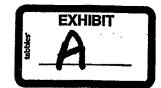
Entered:

Hon. Matthew F. Kennelly
United States District Court Judge

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LABORERS' PENSION FUND and)
LABORERS' WELFARE FUND OF THE)
HEALTH AND WELFARE DEPARTMENT)
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LABORERS' DISTRICT COUNCIL OF)
CHICAGO AND VICINITY, and JAMES S.)
JORGENSEN, Administrator of the Funds,)
Plaintiffs,) Case No.: 08 C 5958
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) Judge Kennelly
CENTRAL SUBURBAN CONTRACTING &)
MAINTENANCE, INC. an Illinois corporation,	<u>-</u>
DENNIS VOLPE, individually, and GREGORY	<i>(</i>)
D. REED, individually,)
)
Defendants.)

AFFIDAVIT OF JAMES FOSCO

James Fosco, being first duly sworn on oath, deposes and states as follows:

- 1. I am a Field Representative employed by the Laborers' Pension Fund and the Laborers' Welfare Fund of the Construction and General Laborers' District Council of Chicago and Vicinity (hereinafter collectively referred to as the "Funds"), Plaintiffs in the above-referenced action. My responsibilities include oversight of the collection of amounts owed by Defendant Central Suburban Contracting & Maintenance, Inc. (hereinafter "Central Suburban" or the "Company"). This Affidavit is submitted in support of the Laborers' Funds' Motion to Reinstate and Confess Judgment. I have personal knowledge regarding the statements contained herein.
- 2. On September 9, 1996 and October 19, 1998, the Company signed an Independent Construction Industry Collective Bargaining Agreement ("Agreement") with the Construction



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and General Laborers' District Council of Chicago and Vicinity ("District Council") and Laborers' Local Union No. 96. True and accurate copies of the Agreements are attached hereto as Exhibits B-1 and B-2. Pursuant to the terms of the Memoranda, the Company is bound to the terms of the relevant collective bargaining agreements incorporated by reference in the Agreement and the Funds' respective Agreements and Declarations of Trust.

- 3. Pursuant to agreement, the Funds have been duly authorized to act as collection agents on behalf of the District Council for union dues owed to the District Council.
- to which the Company is bound require that the Company submit benefit reports and contribution payments by the tenth day of the following month. Payments which are not received within thirty days of this date are assessed liquidated damages in the amount of 10 percent or 20 percent liquidated damages (on Pension, Welfare and Training Fund after June 1, 2007) of the principal amount of delinquent contributions, and interest at a rate of prime plus 2 percent as charged by the J.P. Morgan Chase Bank, N.A. from the date of delinquency forward. The Agreement and the Funds' respective Agreements and Declarations of Trust also obligate the Company to submit its books and records to the Funds for periodic audits to determine benefit contribution compliance. A copy of the relevant portions of the Agreement are attached as Exhibit B-3; a copy of the relevant portions of the Amended Agreement and Declaration of Trust creating the Laborers' Pension Fund are attached as Exhibit B-4; and a copy of the relevant portions of the Amended Health and Welfare Department of the Construction and General Laborers' District Council are attached as Exhibit B-5.

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5. The Company entered into an Installment Note ("Note") in settlement of this case, a true and accurate copy of which is attached hereto as Exhibit B-6. Dennis Volpe and Gregory Reed entered into a Guaranty of Payment and Indemnification Agreement ("Guaranty") agreeing to personally guarantee the debt. A true and accurate copy of the Guaranty is attached hereto as Exhibit B-7. The Company has failed to submit and pay the July 2009 installment due on the Note. The Company also failed to submit timely payments for January through June 2009 installments. Finally, the Company owes benefit and dues reports for the period of April 2009 forward. As a result, the Company is in default on the Note. Under the terms Note and Guaranty, Defendants Central Suburban, Dennis Volpe and Gregory Reed owe the following:

Welfare: \$ 9,124.68
Pension: 6,433.32
Liquidated damages on late note payments: 3,111.60

TOTAL:

\$ 18,669.60

FURTHER AFFLANT SAYETH NOT.

James Hosco

Subscribed and sworn to before me this _____day of July 2009.

Notary Public

"OFFICIAL SEAL"
EUGENIA MASHOS
Notary Public, State of Illinois
My Commission Expires 09/12/12



HEADQUARTERS OF

Construction & General Laborers' District Council of Chicago and Vicinity

Attitlated with the Laborara International Union of North America, A.F. of L. - C. I.O. -5121 WEST DIVERSEY AVENUE • CHICAGO, ILLINOIS 80538 • PHONE: \$12-237-7537 • FAX: 312-237-3417

LOCALS 1, 2, 4, 5, 6, 25, 75, 76, 96, 118, 149, 152, 225, 269, 288, 582, 681, 1001, 1006, 1035, 1092

Joseph A. Lombardo, Jr.

Bruno Caruso President Business Menager

Peccident

CENTRAL SURGINESS.

It is hereby stpotated and agreed by and between CENTRAL SURGINESS.

DISTRICT COUNCIL OF CHICAGO AND VICINITY, herein called the "UNDY", represeding and encompassing Local Not. 1, 2, 4, 5, 6, 25, 13, 16, 95, 116, 149, 152, 223, 269, 261, 1021, 1056, 1055, 1052 and smoothpassing the peopraphical least of the counties of Cook, Laid, Duffige, Via, Crudy, Kental, Kane, Michang, and Boome, in the State of Health, Department and Share Cooks which may come within the procession of the UNION, date.

Employer: In response to the Union's data that it represents an unconned majority of each Employer's jaboury employees, potenciardes and agrees that there is no good hath.
Union has been estinated to early it ad does represent such majority of labours employees. Therefore, the Union is hearly recognized as the sole and exclusive collective the Employees. Therefore, the Union is hearly recognized as the sole and exclusive collective the Employees. Therefore, the Union is hearly recognized as the sole and exclusive the Employees. Therefore, and other terms and conditions of employment in accordance with Section 8 of Labour Relations Act without the need for all bear of the Employees.

or per newtonia Labor Healcore Act without the need for a Sharid Centerel Socion.

2. The EAPLOYER Illemis and about his to Clearly Registering Agroments between the UNION and the Busices Association of Chicago, and Visiolay, the Controls Contractors, Association of Center Chicago, Street Rend Busices Association, the Underground Contractors Association, Association of Genetic Chicago, Street Rend Busices Association, the Underground Contractors Association Association of Genetic Chicago, Street Rend Busices Association and Several Contractor Association, Association of Mark and Celliforn Association and Several Contractor Association, Association of Wat and Celliforn Association and Several Contractor Association, Association of Wat and Celliforn Association and Several Contractor Association, Association of Wat and Celliforn Wat and the Celliforn Association Association of Wat and Celliforn Wat and the Celliforn Wat with the Eastoclator of any local Markot, then the approximate of the Description of Wat and Celliforn Association of Wat approximate of the Description of Wat approximate the Celliforn Association and Celliforn Association and Celliforn Association Association of Wat and Celliforn Wat and

3. The EMPLOYER agenes to be the sensorial which (but) (b) is bound to pay under said Collective Bergaring Agreements to the HEALTH AND WEIGHTED CONTROL TO CONTROL TOWN AND GENERAL LABORERS DESTRICT CONNEX, OF CRICKGO AND VICKITY, to the LABORERS PERSON RUID, and to the CONSTRUCTION AND GENERAL LABORERS DESTRICT CONNEX, OF CRICKGO AND VICKITY, to the LABORERS PERSON RUID, and to the CONSTRUCTION AND GENERAL LABORERS DESTRICT CONNEX, OF CRICKGO AND VICKITY (to the LABORERS PERSON RUID), and to the CONSTRUCTION AND GENERAL LABORERS DESTRICT CONNEX, OF CRICKGO AND VICKITY (to the LABORERS PERSON RUID), and to the CONSTRUCTION AND GENERAL LABORERS DESTRICT CONNEX CON

The EAPLOYER further stimm and re-establishes that all plot colletoutons paid to the Welfare, Procion and Training Funcs were made by cuty authorized agents of the EMPLOYER at the proper rates for the appropriate periods of time and that by making said prior contributions, the EMPLOYER evidences the blant to be bound by the larms of the Trust Agreements and Collection Bargaining Agreements which were operative at the time the contributions were made, action/visciple of epont form to be a settlicted instrument as writing to bind the EMPLOYER to the authorized agreements which were operative at the time the contributions were made, action/visciple or epont form to be a settlicted instrument as writing to bind the EMPLOYER to the

Appearance of the process of the pro

5. In the event of any change in the constraint, management, or operation of the EMPLOYER'S business by pale or estension, it is agreed that as a condition of each separate provided in the training of the service of the Agreement is applicable to the service of the EMPLOYER'S business by pale or estension, it is agreed that as a condition of this Agreement is applicable to otherwise.
all processors and translations of the EMPLOYER's whether corporate or otherwise.

6. The tropolated wage and tringe benefit contribution rates to the various Collective Bargaining Agreements are as follows:

\$20.55 Per Hour Wages
\$3.12 Per Hour Reside and Westers Fund
\$3.14 Per Hour Persides Fund
\$3.16 Per Hour Training Fund
\$3.07 Per Hour Training Fund
\$3.07 Per Hour Eddarf (or such amount as provided in local agreement.)
\$3.07 Per Hour Eddarf (or such amount as provided in local agreement.)
\$3.07 Per Hour Eddarf (or such amount as provided in local agreement.)
Dues Coductions are \$3.55 Per Hour for such hour worked unless notified of in incon June 1, 1895 \$1.00 Per hour increase for the year June 1, 1996 through May 31, 1997 to be aborated between wages and things benefits by the Unide in its sole discretion. Wilders, Prention, and Training Funds to remain the same unless additional sums are MCUFF and Chiegodarud Salay Council remain as above for the life of the constant. Does Deductions are \$25 Per Hour unless notified of an increase. \$1.00 Per hour increase for the year Arne 1, 1997 Strongs May S1, 1996, to be allocated, between wages and fittings benefits by the Union in its role discretion. Welfare, Penalon, and Training Funds to remain the same unless additional sums are alloce MC/AUT and Chicagoland Safety Council remain as above for the fite of the contract. Dues Deductions are \$25 Per hour unless notified of an increase. May 31, 1996

All additional wage rate dues checked, or trings benefit increases as negotiated after May 31, 1999, shall be incorporated in this Memorandum of Agree

7. Efforthe June 1, 1935, all EMPLOYERS covered by this Mannormolin of Agreement Leopopasing the various Cobedina Bangsining Agreements shall deduct from the wages of implyees covered by said contract, exching class in the amount of Westly Five Deals (8,25) for each problem hour worked and Thereby-Five Centre (8,25) for each problem hour worked, and hall renth monthly to the (MANNO office designated to the EMPLOYER) by the Destrip Council the source or deducted, (openhar with an accounter lied of employers from whose wages and class were established to be and employee, not letter has the 15th day of the month lockwise give monthly to which a last deductions were made.

6. It is the trention of the period that such dictuding shall comply with the requirements of Section 302(c)(4) of the Labor Namegement Relations And of 1947, as amended and such deductions be made only pursuant to written agreements from each antidayee on whose account such deductions are made, which supplyment shall not be inevocable for a period of more than one year or beyond the commence of the Memorandom of Agreement, whichever occurs sooned.

8. This Agreement shall remain to lid force and effect through key 31, 1999 and shall continue thereafter tribes them has been given mitten notice, by repistened or certified mail by either party helpits reached not less than 90 days nor more then 90 days plot to the expination date, of the desire to modify and smend this Agreement through regordations. In the absence of such notice, the IEEM/OPEF and the Uniform green to be bound by the amendate negotiated contracts with the vertous Associations, incorporating them into this Agreement for the 8fe of the newly regordated contracts.

10. The EMPLOYER acknowled

Daled at HALL SEPT. ACCEPTED: 96 (Field Rep CONSTRUCTION AND GENERAL LABORERS DISTRICT COUNCIL OF CHICAGO AND VICE

TRUST FURD



Dated __10/19/98

HEADQUARTERS OF

Construction & General Laborers' District Council of Chicago and Vicinity

Affiliated with the Laborers international Union of North America, A.F. of L. - C.I.O. -6121 WEST DIVERSEY AVENUE - CHICAGO, ILLINOIS 60839 - PHONE: 775-237-7537 - FAX: 773-237-3417

LOCALS 1, 2, 4, 5, 8, 25, 75, 76, 86, 718, 148, 152, 225, 269, 288, 582, 681, 1001, 1006, 1035, 1092

INDEPENDENT CONSTRUCTION INDÚSTRY **COLLECTIVE BARGAINING AGREEMENT**

Inter UNION, curry out the terms and conditions of the Trust instruments.

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Inter UNION, curry out the terms of the EMPLOYER and conditions of the EMPLOYER explaints of the EMPLOYER and conditions are conditions of the EMPLOYER and conditions of the EMPLOYER explaints of the terms of the Trust Agreement and collections graphing Agreements which were operative at the tract the conditionions were made, accompleting the report from to be a certificated instrument or writing to brind the EMPLOYER by the applicable agreements.

4. Employers covered by this Workshop Agreement state are that explaints and personal persona

D,	i na nagonistad waga and tringa ban	ofit contribution rates in the various Collective Bargaining Agreements are as tolkows:
**:	June 1, 1988	\$23.35 Per Hole Wages
		\$ 3.27 Per Hour Health and Weltere Fund
•••	* 10	\$ 2.05 Per Hour Pansion Fund
	₹	\$.10 Per Hour Training Fund (plus additional amounts in Association agreement)
	 May 31, 1999 	\$.02 Per Hour MCIAF (II applicable in Association agreement)
		\$.02 Par Hour LECET (to be deducted from MCIAF if LECET contribution is not
	•	provided in Association agreement)
	,	3 .01 Per Hour Chicagoland Salety Council (if applicable)
		in addition, the Employer shall pay other amounts a provided in appropriate
	• •	Association agreements for industry funds.
	June 1, 1999	\$ 1.25 Per Hour increase for the year June 1, 1999 through May 31, 2000 to be
		allocated between wages and frings benefits by the Union in its sole discretion.
	to-	Welfare, Pansion, Training and LECET Funds contributions to remain the same
	May 31, 2000	unless additional sums are allocated.
	and our rose	Autora araustum antika era entromen.
	June 1, 2000	\$ 1.35 Per Hour knorease for the year June 1, 2000 through May 31, 2001, to be
	to	allocated between wages and fringe benefits by the Union in its sole discretion.
		Welfare, Pension, Training and LECET Funds contributions remain the same
	May 31, 2001	unkosa additional suma are allocated.
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ACCEPTED:		Central Suburban	Cont & Main	t, Inc
Laborers' Local Union No.	 -	(Employer)		
- Brc	· ·	DENNIS VOLPE, PE	ES.	
CONSTRUCTION AND GENERAL LABORERS' DISTRICT COUNCIL OF CHICAGO AND VICINITY		Magazza Co	lace.	:
By, M. A.A. Robert E'Bloch, Trustee		laskanni	EST CHICAGO.	IL
For Office Use Only:		(City, State and Zip Co	(e)	
and the second s		630-231-0205 (Telephone)		
	TRUST FUND		1	

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JUNE 1, 2006 TO MAY 31, 2010

BUILDING AGREEMENT

between the

CONCRETE CONTRACTORS ASSOCIATION OF GREATER CHICAGO

and the

CONSTRUCTION AND GENERAL LABORERS' DISTRICT COUNCIL OF CHICAGO AND VICINITY

- Employer performing such work indirectly if such work is apply to all Bargaining Unit work performed by the performed by any business entity controlled by the Employer, of if the Employer is a corporation, controlled (d) The terms and conditions of this Agreement shall by the person who controls the Employer.
- signatory subcontractors prior to such subcontractors commencing work. Upon request of the Union, any subcontractor that fails to become signatory to the Union (e) The Employer shall notify the Union of all nonabor contract within 24 hours of the Union's request shall be removed from the job site.
- its employees on the jobsite, an amount to equal to the difference between the subcontractor's aggregate wages and benefits and the amount set forth in this Agreement for the entire period that the subcontractor works with a of a non-signatory subcontractor, or fail to remove the non-signatory subcontractor within 24 hours upon the Union's request, the Employer shall pay to the Union, and (f) The Employer shall not be liable for the wages and fringe benefits owed by the subcontractor. However, should the Employer either fail to timely notify the Union Union agreement on the job site.

Article VIII WAGES

below for the respective following classifications as fur-2006 to and including May 31, 2010, shalf be as set forth Paragraph 1. The rates of wages exclusive of fringe benefits to be paid in this trade for the period June 1, ther defined herein.

and other funds by the Union in its sole discretion. June increase to be allocated between wages, fringe benefits 1, 2008 to May 31, 2009, \$3.00 per hour increase to be The wage rates include an increase of \$2.90 per hour effective June 1, 2006 to May 31, 2007 for a wage rate of \$31.55 per hour which includes the dues deduction. June 1, 2007 to May 31, 2008, \$3.00 per hour

fringe benefits and other funds by the Union in its sole in its sole discretion. June 1, 2009 to May 31, 2010, \$3.10 per hour increase to be allocated between wages, allocated between wages and fringe benefits by the Union discretion.

CLASSIFICATION

Employees shall receive the following hourly premi-Gement Gun Laborers\$.075 Plaster Laborers\$0.00 Sonstruction Specialist \$0.00 Well Point System Men \$.35 Pumps for Dewatering A. Unclassified Laborers\$0.00\$.575 Laborers \$.45 ums in the classifications set forth below: Building Laborers\$0.00 €3 (Over 40 Feet)\$ Chimney on Firebrick\$ Handlers Power Driven Concrete Saws. Scaffold Laborers Laborers (Gunite) Fire Brick Work and Boiler findlass and Capstan Person Stone Derrickman and Firebrick Work Only) Freproofing and Fire Jackhammerman (On Cement Gun Nozzle Boiler Setter Plastic Chimney Laborers

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Sub-Foremen shall receive \$.75 premium wages over and above top Laborers' Scale under his supervision.

Building Labor Foremen shall receive \$1.50 premium wages over and above top Laborers' Scale under his supervision.

General Foremen shall receive \$2.00 premium wages over and above top Laborers' Scale under his supervision.

Superintendents shall receive \$3.00 premium wages over and above top Laborers' Scale under his supervision.

Dosimeter Use: A premium of One (\$1.00) Dollar per hour shall be paid to any Laborer required to work with a dosimeter used for monitoring nuclear exposure or with any similar instrument or measuring device.

Power Pac: When a Laborer uses a power driven piece of equipment he shall be paid the rate of pay of the tool at the end of the power pac.

Asbestos Use: Regular rate shall apply. No premium shall be paid.

Paragraph 2. APPRENTICE PROGRAM

Section 1. APPRENTICE COMMITTEE: The Employer hereby agrees that the Joint Apprenticeship Training Committee (JATC) shall have the authority to establish rules for the apprentice program, including penalties for violations of the apprenticeship rules, which are incorporated herein by reference. The Employer agrees to be bound by the Agreements and Declarations of Trust establishing the Laborers' Apprentice and Training Fund, as well as any amendments thereto, and agrees to be bound by all actions taken by the Trustees of that fund pursuant to the Agreement and Declaration of Trust.

Section 2. APPRENTICE PROGRAM FUNDING: The apprenticeship program administered by the JATC shall be self sustaining. In addition to the sums set forth in Article IX, Paragraph 2 of the Agreement, effective

January 1, 1999, or on the date when the Association elects to participate in the program, whichever is later, the Employer shall also contribute to the Training Fund an additional contribution of five cents (\$.05) per hour for ment, or a lesser amount as may be determined by the JATC. Effective June 1, 1999 and June 1, 2000, or on the date when the Association elects to participate in the program, whichever is later, the contribution shall be increased as determined by the JATC, but in no event shall the aggregate contributions under this paragraph 2 exceed five cents (\$.05) over the term of this Agreement.

Section 3. The term of apprenticeship shall be 4,000 hours, or two years, whichever occurs later. All Health and Welfare, Pension, Training Fund, Industry Advancement and other contributions required under this Agreement will commence immediately upon employment of an apprentice. Union affiliation will be required after seven (7) days of employment.

Section 4. The wages per hour paid to apprentices shall be as follows:

1st six (6) months: . 60% of journeyman (base) wages 2nd six (6) months: . 80% of journeyman (base) wages 3rd six (6) months: . 90% of journeyman (base) wages After 24 months: . . 100% of journeyman (base) wages

Section 5. The ratio of journeymen to Apprentices shall be six (6) laborer journeymen to one (1) laborer apprentice on a company-wide basis, with no more than twenty percent (20%) of laborers being apprentices on any one job site of the Employer. Employers who employ a maximum of between one (1) and five (5) laborer journeymen shall be entitled to one (1) laborer apprentice, who may be assigned to job sites irrespective of the twenty percent (20%) job site maximum specified in this provision.

ALC CALL Section 6. Referral of apprentices will be through the apprentices must be referred by the Local Union from apprentices must be referred by the Local Union from apprentices will be assigned an apprentice from the available JATC apprentice pool. The JATC can limit the number of apprentices to that which is adequate for current needs and which can be properly trained by the program. Employers may recall their laid off apprentices to work, provided that the Employer complies with the ratios set forth in Paragraph 5. All apprentices must report their hours weekly to the JATC. All apprentices will be tested for the presence of illegal substances at the time they enter the apprentice program.

Paragraph 3. WELFARE: Beginning the period from June 1, 2006 to May 31, 2007, the Employer agrees to make Health and Welfare contributions of \$7.46 per hour for each hour worked by all Employees covered by this Agreement in addition to the wages herein stipulated. This \$7.46 per hour shall be paid to the Health and Welfare Department of Construction and General Laborers' District Council of Chicago and Vicinity or a designated appointee at the end of each month.

That for the periods June 1, 2007 to May 31, 2008; June 1, 2008 to May 31, 2009, June 1, 2009 to May 31, 2010; that on May 1 of each year, if able, but not later than June 1, the Union in its sole discretion, shall determine the amount of additional contributions to Welfare and/or Pension and Training and other funds to be allocated from the economic package for that year. (See Article VIII, Paragraph 1)

The Employer agrees to be bound by the Agreements and Declarations of Trust establishing the Health and Welfare Department of Construction and General Laborers' District Council of Chicago and Vicinity, as well as any amendments thereto, and agrees to be bound by all actions taken by the Trustees of that fund pursuant to the Agreements and Declarations of Trust.

Paragraph 4. PENSION: Beginning June 1, 2006 \$4.84 per hour for each hour worked by all Employees covered by this Agreement in addition to the wages and shall be paid to the Laborers' Pension Fund or to a designated appointee at the end of each month.

That for the periods June 1, 2007 to May 31, 2008; 2010; that on May 1, 2009, June 1, 2009 to May 31, 2010; that on May 1 of each year, if able, but not later than June 1, the Union in its sole discretion, shall determine the amount of additional contributions to Welfare and/or Pension and Training and other funds to be allocated from the economic package for that year. (See Article VIII, Paragraph 1)

The Employer agrees to be bound by the Agreements and Declarations of Trust establishing the Laborers' Pension Fund, as well as any amendments thereto, and agrees to be bound by all actions taken by the Trustees of that fund pursuant to the Agreements and Declarations of

The parties agree that the Employer shall make lump sum contributions to employee fringe benefit accounts, administered by the Trustees on behalf of each employee. It is further agreed that such contribution shall be accompanied by a breakdown of payment according to appropriate benefits.

The Trustees of the Welfare Fund and the Trustees of the Pension Fund shall, among other things, have authority to determine the type and amount of benefits to be provided in each of said funds, the eligibility rules governing entitlement to benefits, and whether and to what extent benefits are to be provided for covered Employees.

The failure of the Employer to contribute to the said Welfare or Pension Funds when the same is established, as provided herein, shall for the purposes of the remedies the Union may pursue, be deemed the same as the failure of

a'

17 2 the Employer to pay wages, and the Union shall be permitted to remove workers whom they represent for nonpayment of such contributions, anything to the contrary in this Agreement notwithstanding.

A grace period of thirty (30) days shall be granted vided. Said reports and contributions not received during this grace period shall be assessed liquidated damages for Employers to submit reports and contributions as proamounting to ten (10%) percent of the amount of the edges that the liquidated damages shall be used to defer administrative costs arising by said delinquency and acknowledges the costs to be actual and substantial, though difficult to ascertain. However, the Employer acknowledges these costs to be at a minimum of ten proof thereof. In addition, the delinquent contributions contributions which are owed. The Employer acknowl-(10%) percent, waiving the necessity of any additional shall bear interest at a maximum legal rate of interest per annum from the due date until they are paid.

Further, in the event the Trustees place the account in the hands of legal counsel for collection, the delinquent Employer shall be liable for reasonable attorneys' fees, and for all reasonable costs incurred in the collection process, including court fees, audit fees, etc. Reasonable attorneys' fees shall mean: All reasonable attorneys' fees in the amounts for which the Trustees become legally bound to pay, including recovery of liquidated damages, interests, audit costs, filing fees, and any other expenses incurred by the Trustees. The Trustees of the aforementioned Welfare and Pension Funds and the Union shall have the authority to either directly or through their authorized representative, whenever such examination is deemed necessary for the purpose of compliance with the provisions of this audit the books and records of a participating Employer, Agreement.

Each participating Employer shall make its books and records available to the Trustees for such purpose. In the event the audit discloses that the Employer, during the period of the audit, has underpaid its contributions and/or wages, the Employer shall be liable for the costs of the examination, including but not limited to, audit fees and reasonable attorneys' fees. The Trustees' authority to waive any costs shall be governed by the terms of the Trust Agreement.

Paragraph 5. Section 415 Excess Benefit Fund. A Section 415 Excess Benefit Fund shall be established for Revenue Code. The Employer may be required and directed by the Board of Trustees of the Excess Benefit Fund to contribute a portion of its agreed-upon "penemployees of the Employer who become unable to receive the purpose of providing alternative benefit to any pension plans sponsored by their Employer because of imitations established by Section 415 of the Internal the entire amount of the accrued pension benefits to which they would be entitled under one or more of the sion" contribution to the Section 415 Excess Benefit Fund and shall not increase the Employer's cost beyond the amount that the Employer is obligated to contribute to the Laborers' Pension Fund and that the funding of the Section 415 Excess Benefit Fund shall be fully tax poses. The Employer hereby agrees that the Board of frustees of any such Section 415 Excess Benefit Fund deductible to the Employer for Federal Income Tax purshall be authorized to determine each year the amount that will be contributed by the Employer and the amount so be credited to the account of any eligible retiree for payment in lieu of accrued benefits that would exceed the amits set by Section 415 of the Internal Revenue Code.

of this Agreement only, the bargaining unit shall also saclude those persons in the employ of an Employer who Paragraph 6. SUPERVISORS: To the extent permisare supervisors, as defined in the Labor Management sable by the Internal Revenue Service or any Federal Act and for the purposes of Paragraphs 3 and 4 of Article VIII

Relations Act, as amended; and who at one time were Employee members of the bargaining unit herein on whose behalf contributions were required to be made to the trust funds described in the aforesaid Paragraph 3 and 4 of Article VIII hereof.

Paragraph 7. Appointment of Trustees to the Health Laborers' District Council of Chicago and Vicinity and the Laborers' Pension Fund. The parties agree that the District Council of Chicago and Vicinity and the Laborers' Pension Fund and training and apprentice and Welfare Department of Construction and General Employer appointed trustees of the Health and Welfare Department of Construction and General Laborers' be appointed solely by Employer associations that enter into collective bargaining agreements with the Union requiring contributions to such funds ("Signatory Associations"). It is further agreed that the Trust Agreements funds to which Employers are required to contribute shall establishing such funds shall be amended to replace any Employer association that appoints a trustee and does not have a labor agreement with the Union, replacing it with a Signatory Association. The union and Signatory Associations shall meet within 30 days of the effective pants to review the appointment of Employer Trustees of the funds. It is agreed that the numbers of hours condates of agreements covering a majority of Fund particitributed by Employers represented by Signatory Associations compared to contributions by other Signatory Associations during the preceding year shall be the basis parties are unable to agree on the Signatory Associations appointments to be made by each Signatory Association for assigning the number of trustee appointments. If such to be responsible for appointments and the number of the dispute shall be submitted to expedited arbitration under Subpart D of the Policies and Procedures of the Federal Mediation and Conciliation Service.

Paragraph 8. Article III Section 2 of the trust agreements of the Health and Welfare Department of Construction and General Laborers' District Council of

Chicago and Vicinity and the Laborers' Pension Fund appointed Trustees must be full-time employees of Contributing Employers within the Association's membership. A Contributing Employer shall be defined as an more Laborers performing bargaining unit work for whom contributions have been made per month in each of the previous three (3) calendar years."

Agreements and Declarations of Trust, as well as any Laborers' Vacation Fund, a jointly-trusteed vacation plan bers during their winter layoffs. Contributions to the the total economic increase.

Agreements and Declarations of Trust, as well as any amendments thereto, establishing the Chicagoland bution plan providing a supplemental retirement benefit. Sole discretion from the total economic increase.

employer that is owned or managed, in whole or part, by an individual who currently has or previously had in the responsibility for another contributing employer that currently is or ceased doing business when delinquent to the Funds shall be required to post for the benefit of the from a Fund-approved insurer in an amount equal to delinquency. This amount may be adjusted by the Benefit fund Trustees for each individual employer. This bond required esparate from the benefit of the other contributing employer's fund Trustees for each individual employer. This bond required elsewhere in this Agreement.

Paragraph 12. OUT OF TOWN WORK. When Laborers who reside or work in the nine-county geographic area covered by this Agreement are asked to work at locations outside these nine counties, the Employer shall continue to report and pay benefits for all hours worked outside the nine counties. If the work performed is covered under a labor agreement with the Laborers' International Union of North America or its affiliates, the Employer shall report and pay the benefit contributions to the fringe benefit fund identified, and the contribution rates specified, under that labor agreement. If the work performed is not covered under a labor agreement with the Laborers' International Union of North America or its affiliates, then the Employer shall report and pay the benefit contributions to the fringe benefit funds identified, and the contributions rates specified, under this Agreement

Article IX BONDING

All Employers shall procure, carry and maintain a surety bond in form and amount satisfactory to the Union, but not less than in the principal sum of \$5,000.00, to guarantee payment of wages, Pension and Welfare Trust contributions, during the term of this Agreement.

The Employer shall give notice to the Union and the appropriate Fund Office in writing not later than ten (10) days after the occurrence of any of the following events relating to the Employer, occurring after the date hereof:

- (a) Formation of Partnerships;
 - (b) Termination of business;
- (c) Change of name commonly used in business operation;
 - (d) Change in form of business organization;
 - (e) Incorporation of business;
- (f) Dissolution of corporation;

- (g) Name and business organization of successor;
- (h) Admission to or withdrawal from any association operating as a multi-Employer bargaining unit.

Article X INDUSTRY FUND

Paragraph 1. Each Employer shall pay the amount of seven cents (\$.07) for each hour worked by those employees covered under this Agreement to the CCA Industry Advancement Fund ("Industry Fund") and shall also pay the amount of six cents (\$.06) for each hour worked by those employees covered under this Agreement to the Chicago-area Laborers-Employees Cooperation Education Trust ("LECET") and shall also pay the amount of twelve cents (\$.12) for each hour worked by those employees to the Laborers' District Council Labor those employees to the Laborers' District Council Labor Management Cooperation Committee ("LDC/I.MCC").

Paragraph 2. The Employer agrees to be bound by the Agreements and Declarations of Trust establishing the Industry Fund, LECET, and the LDC/LMCC, and all amendments thereto, and agrees to be bound by all actions taken by the Trustees of those funds pursuant to the Agreement and Declaration of Trust of those funds.

Paragraph 3. Should any Employer fail to make payments to the Industry Fund, LECET Fund or LDC/LMCC, the Employer shall be liable for and pay, in addition to the delinquent contributions, interest at a rate of ten percent (10%) per year for such delinquencies, and to pay all costs of collection, including audit expenses and attorney fees and costs.

7. 72.

j.

RESTATED AGREEMENT

AND

DECLARATION OF TRUST

CREATING

LABORERS' PENSION FUND

With Amendments Through May 31, 2002



- (b) To enforce the provisions of the Pension Plan and the rules and regulations adopted by the Trustees in a uniform manner with respect to individuals similarly situated.
- (c) To determine questions arising under the Pension Plan or this Agreement, including the power to determine the rights of Employees and their Beneficiaries, and their respective benefits, and to remedy ambiguities, inconsistencies or omissions.

ARTICLE VII

FUNDING PENSION PLAN BENEFITS

Section I. IN GENERAL. In order to fund the benefits provided under the Pension Plan, each Employer, for the period that it is obligated by a Written Agreement, shall make contributions to the Trustees at the times required by that agreement. The rate of contributions shall be determined by the applicable Collective Bargaining Agreement or Participation Agreement, together with any amendments, supplements or modifications thereto. Notwithstanding the preceding sentence, if an Employer is required to make contributions by reason of a Participation or other Written Agreement that is not a Collective Bargaining Agreement, the amount of its contributions shall be the same as the amount required by the Collective Bargaining Agreement in effect between the Employer Association and the Union which covers Employees performing similar work. No

Employee shall be permitted to contract or otherwise agree with or permit his Employer to provide wage or benefit payments which do not conform with the amount of contributions required under the provisions of a Collective Bargaining Agreement or Participation—Agreement and any such contract or agreement shall be null and void. It shall not be a defense to any claim by the Trustees or an Employee for payment of delinquent contributions from an Employer that such Employer has entered into an agreement with any Employee purporting to waive the Employee's right to strict compliance with the provisions of the applicable Collective Bargaining Agreement or a Participation Agreement. All contributions shall be paid in the manner and form required by the Trustees.

Section 2. DEFAULTIN PAYMENT OF CONTRIBUTIONS. Nonpayment by an Employer of any contributions when due shall not relieve any other Employer of his obligation to make payments. The Trustees may take any action necessary to enforce payment of the contributions and penalties due hereunder, including, but not limited to, proceedings at law and in equity. Any such action shall not prejudice the Union in any action it may wish to take on account of such nonpayment. The Trustees are authorized to establish a reasonable and lawful grace period by which contributions must be received; Employers making contributions that are not received before the expiration of said period and any Employer making late payments due under an installment agreement shall be assessed liquidated damages of 10% of the amount of the contributions which are owed. All Employers party to or otherwise bound by this Agreement acknowledge that the

liquidated damages will be used to defer administrative costs arising by said delinquency and acknowledge the costs to be actual and substantial though difficult to ascertain; however the Employers acknowledge these costs to be at a minimum of 10%, waiving the necessity of any additional proof thereof. In addition, the delinquent contributions and any payments owed by an Employer pursuant to an installment agreement, shall bear interest up to the prime rate of interest plus two points charged by the Fund's custodian bank (or any other bank selected by the Trustees) or such other lawful amount as determined by the Trustees from the due date until totally satisfied. The Trustees are hereby given the power and authority to delegate the collection of contributions to a Collection Committee, which, in its discretion, may assess a lesser or greater amount or waive or suspend payment of liquidated damages, interest, audit fees or investigative costs in accordance with rules and procedures adopted by the Collection Committee and to compromise claims for delinquent contributions and related liabilities and collection costs where appropriate to settle cases favorably for the Fund. The Collection Committee may include trustees of the Laborers' Welfare Fund as members of the Committee.

In the event an Employer party to this Agreement or otherwise bound thereby becomes delinquent in his contributions or an installment agreement, or fails to post a bond as required, said delinquent Employer shall be liable for reasonable attorneys' fees and for all reasonable costs incurred in the collection process, including court fees, audit fees, investigative costs, etc. The term "reasonable attorneys' fees" as used herein shall mean all

attorneys' fees in the amounts for which the Trustees become legally obligated including recovery of liquidated damages, audit costs, filing fees and any other expenses incurred by the Trustees.

The Trustees are hereby given the power and authority, in their discretion, to require any Employer to deposit with the Trustees, in advance, as a guarantee for the payment of monthly contributions, an amount equal to three (3) times the monthly contributions of such Employer, as estimated by the Trustees. At the option of the Trustees the Employer shall furnish the Trustees, in lieu of any cash deposit, a bond in an amount not less than Five Thousand Dollars (\$5,000.00) or in an amount consistent with the terms of the current collective bargaining agreements. In the event an Employer is repeatedly delinquent in its contribution payments to the Pension Fund, the Trustees have the power and authority to require that Employer to purchase a bond in excess of \$5,000.00 or the amounts set forth in the current collective bargaining agreements, in an amount equal to three (3) times the highest monthly contributions of the Employer in the twelve months prior to any delinquency. The Trustees, in their discretion, may also waive the requirement of a cash deposit or a surety bond in lieu of a personal guaranty when such waiver is warranted.

Section 3. REPORT ON CONTRIBUTIONS AND PRODUCTION OF RECORDS. The Employers shall make all reports on contributions required by the Trustees. Each Employer shall promptly furnish to the Trustees, on demand, the names of its employees, their social security numbers, the hours worked by each employee, and such

other information as the Trustees may reasonably require in connection with the administration of the Trust and Pension Plan. The Trustees may at any time have an audit made by an independent certified public accountant or its representatives of the payroll of any Employer in connection with the said contributions and/or reports. All Employers shall be required to maintain records in compliance with procedures developed and communicated by the Administrator from the beginning of such Employer's participation in the Pension Fund forward unless given written authorization by the Administrator upon request to destroy said record. The Administrator shall require the Employer to designate the classification of all of his employees and if the Employer fails to do so, the Trustees shall conduct an investigation for the purpose of determining the classification of such employees and the results of said investigation shall be conclusive. Attached hereto as Addendum A are the current collection policies concerning Scheduling of Audits and Retention and Production of Employer Records adopted by the Trustees.

ARTICLE VIII

FILING CLAIMS AND REVIEW OF DENIALS OF CLAIM

Section 1. FILING OF A CLAIM. Claims for the payment of any benefits provided by the Pension Plan shall be filed, in writing, in accordance with the Rules and Regulations set forth in Article 7 of the Pension Plan.

ADDENDUM A

RECORDS REQUIRED TO BE RETAINED BY EMPLOYERS AND PRODUCED FOR AUDITS

The following records shall be maintained and retained by all contributing employers to the Benefit Funds for at least six years from the contribution date and shall be produced for inspection and copying by an auditor of the Benefit Funds upon written request:

- 1. Quarterly and annual payroll tax returns, including, but not limited to, federal quarterly form 941's, federal annual form W-2's, W-3's, 940's, 1099's and state quarterly unemployment returns (form UC-3).
- 2. Payroll journals and/or registers which include or identify employees' social security numbers, hourly rates of pay, hours worked and the time period in which the work was performed.
- 3. Individual earnings records for all employees of the employer not shown on payroll journals or registers, including social security number and work classification (or code or clock or ID number), hourly rates of pay, hours worked and the time period in which the work was performed.
 - 4. Cash disbursement journals and general ledgers.
- 5. Copies of all contribution reports and proof of payment (canceled checks or records of canceled checks) of all contributions to the Laborers' Funds and to all other trade union fringe benefit funds to which the employer contributed.
- 6. Copies of all dues records and proof of payment (canceled checks or records of canceled checks) of all union dues submitted to the Laborers' District Council.
- 7. Records showing all amounts paid to all persons or entities that performed work for the employer as independent contractors or subcontractors, if any, including copies of any federal form 1099's issued by the employer.
 - 8. Daily time records filed by employees or supervisors.
 - 9. Source documents and lists of job codes and equipment codes.
 - 10. Certified payrolls for public sector jobs where such payrolls are required.
- 11. Employee personnel files including, but not limited to, last known addresses and telephone numbers, any documents which demonstrate employees' job classifications and/or status as an apprentice, journeyman, foreman, superintendent, or supervisor. (Confidential medical records or other private records not relevant to the establishment of an employee's job classification shall not be disclosed.)

- 12. Bank account statements and canceled checks from any account used in conjunction with the employer's business.
- 13. If records of all hours worked, rates of pay and classifications are not provided in the records listed in items 1 through 10, the employer shall maintain monthly lists of all employees not shown on payroll records, showing Social Security number and work classification (or code or clock or ID number), rates of pay and hours worked.

Honor Roll Employers shall be required only to produce basic records needed by the Benefit Funds' auditors to do an audit, specifically items 1 through 7 above. However, if an initial examination of such limited records discloses significant record keeping errors or failures to contribute, the auditor may request additional records listed above. In the absence of evidence of a deliberate failure by an Honor Roll Employer to contribute on behalf of a bargaining unit employee, the rebuttable presumptions provided for in the attached Policy for Retention and Production of Employer Records shall not apply to such Honor Roll Employer.

Notwithstanding the foregoing, the Collection Committee or the Director of the Field Department may, in their discretion, determine that a full audit shall be done of any employer or that, where a sampling audit is to be conducted, specific records shall be produced. The judgment of the trustees in interpreting and applying this policy shall be conclusive and binding on all parties.

Adopted January 9, 2002

LABORERS' PENSION AND WELFARE FUNDS

POLICY FOR RETENTION AND PRODUCTION OF EMPLOYER RECORDS

As Adopted by the Boards of Trustees Effective as of April 1, 2006

WHEREAS, Section 209 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), 29 U.S.C. Section1059, requires employers obligated to contribute to employee benefit funds to maintain records with respect to its employees which are sufficient to determine benefits due to such employees of which may become due to them; and

WHEREAS, the Trustees of the Laborers' Pension Fund and the Trustees of the Health and Welfare Department of the Construction and General Laborers' District Council of Chicago and Vicinity (collectively, the "Benefit Funds") have the authority under their respective Trust Agreements to establish rules, regulations and policies regarding records which must be maintained by employers in order to administer the Benefit Funds; and

WHEREAS, the Trustees of the Benefit Funds have found that most contributing employers maintain proper records and make all required contributions to the Benefit Funds, nevertheless, there are employers who are bound by the Trust Agreements of the Benefit Funds who fail to maintain records which are adequate for the Funds to determine whether proper contributions have been made on behalf of eligible employees and that some of such employers do so deliberately in order to avoid their obligations to make such payments; and

WHEREAS, the practices of employers who fail to maintain records sufficient to enable the Benefit Funds to conduct thorough payroll audits cause their employees to lose valuable pension and welfare benefits and cause the Benefit Funds to lose contractually required contributions and investment earnings on those contributions; and

WHEREAS, the practices of employers who fail to maintain adequate records cause the Benefit Funds to incur substantial additional administrative and legal expenses in order to determine proper amounts owed to the Funds by such employers; and

WHEREAS, enforcement of a policy specifying the records required to be maintained and produced increases the ability of the Funds to prove the contributions owed by delinquent employers and thereby to provide proper credit to the employees and their beneficiaries;

NOW THEREFORE, the Trustees resolve that the following policies are adopted by the Benefit Funds effective as of March 1, 2002:

- 1. Except as otherwise provided herein, all contributing employers to the Benefit Funds shall maintain and make available for inspection and copying by an auditor of the Benefit Funds the records listed on Appendix A, attached hereto.
- 2. Any employer obligated to contribute to the Benefit Funds who fails to maintain and make available for inspection and copying to an auditor of the Benefit Funds the requisite records listed on Appendix A shall bear the burden of proof with respect to the exclusion of any employee from coverage by the collective bargaining agreement with the Union. In those cases where an employer asserts that an employee is excluded because he/she is a member of another bargaining unit, the employer must submit tangible evidence of that fact, e.g., a union membership card, contribution records maintained for the benefit funds of the other bargaining unit, commercial drivers' license if it is asserted that an employee is a truck driver rather than a laborer and workers' compensation policies, forms and applications listing an employee's job classification or other business records. The affidavit of an employer's representative or officer unsupported by documentary evidence shall not be sufficient to meet the employer's burden of proof. Affidavits solicited and obtained ex parte by an employer's representative from employees, for which there is no corroborative evidence in the form of records maintained in the ordinary course of business, shall not be sufficient to meet the employer's burden of proof.
- 3. When an employer has failed to maintain or make available the requisite records, there shall be a rebuttable presumption that any employee listed as a possible laborer by an auditor, Field Representative or attorney representing the Benefit Funds was a laborer. There shall also be rebuttable presumptions concerning the hourly rate and number of hours worked as follows: (a) that the employee was paid only \$10.00 per hour if no record of wage rates was made by the employer, and/or (b) that the employee worked 72 hours per week if no record of the number of hours was maintained; whichever of these presumptions results in the higher amount of contributions shall be applied. When evidence exists that a different hourly rate was paid to employees of an employer that failed to maintain the required records, at the discretion of the Director of the Field Department, a different hourly rate may be presumed for purposes of determining the amount of contributions owed by the employer. If that evidence shows that the employer paid a rate lower than \$10.00 per hour to any employees doing bargaining unit work, then that lower rate shall be presumed to be the actual rate paid to all employees for whom adequate records were not kept. Similarly, where evidence exists of a different number of hours worked, the Director may apply a different number of hours for determining the contributions owed, and this number of hours worked shall be presumed correct. All wages computed as provided in this paragraph shall be presumed to be paid as straight time wages regardless of the number of hours worked unless the employer has provided documentation, in the form required by the terms of this policy, showing that it followed the requirements of the Fair Labor Standards Act and/or the applicable collective bargaining agreement as to the payment of overtime.
- 4. An employer that fails to maintain the requisite records and fails to cooperate with the Trustees in establishing the paid wage rates, actual hours of work and contributions owed to the Benefit Funds shall be liable to the Benefit Funds and any related organizations, for the contribution amounts determined as provided herein and also for 20% liquidated damages, compound interest at the rate of prime plus 2 points (as determined by the Administrator), auditor's and attorney's fees and any other expenses of collection including investigative costs.

LABORERS' PENSION AND WELFARE FUNDS

POLICY FOR SCHEDULING OF AUDITS

As Adopted by The Boards of Trustees
Effective as of April 1, 2006

Contributing employers to the Laborers' Pension Fund and the Health and Welfare Department of Construction and General Laborers' District Council of Chicago and Vicinity (collectively, the "Benefit Funds"), shall be audited periodically in accordance with the procedures adopted by the Collection Committee of the Benefit Funds. The Director of the Field Department, in cooperation with the Benefit Funds' auditors, shall prepare a schedule for auditing contributing employers in accordance with the following procedures.

Two types of audits shall be conducted: "full audits" in which payroll and other records on all employees are examined and "sampling audits" in which a selection of payroll and other records are tested to enable the compliance auditor to make a reasonable determination that there are no delinquencies. A sampling audit should include a review of all types of records (e.g. payroll records, tax records, cash disbursement records, reports to other benefit funds, etc.) Where a sampling audit discloses delinquencies or related record discrepancies, a full audit shall be conducted.

Employers shall be scheduled for either full audits or sampling audits in groups based upon the contribution histories of the employers. Either a sampling or full audit shall be conducted at least once every five (5) years. Any employer that fails to schedule an audit and submit records for review within 45 days from the date of the audit request will be liable for all costs of compelling and enforcing the audit request. The following procedures shall be used:

AUDIT PERIOD

- 1. New Employers. New employers shall be scheduled for audits within the first year in which contributions to the Benefit Funds are required.
- 2. Honor Roll Employers. Employers with a history of adequate record keeping and timely, payments to the Benefit Funds ("Honor Roll Employers"), shall be required to submit to audits every three (3) to five (5) years. Following an audit showing adequate record keeping and correct payments, such an employer shall be designated an Honor Roll Employer and shall be selected randomly for an audit between the third and fifth year thereafter. (Such employers may opt for a scheduled audit every three years.) An inadvertent shortage of no more than the greater of \$1000 or two percent (2%) of required contributions determined on a full audit covering three or more years of contributions to the Benefit Funds shall not disqualify an employer from inclusion in this group.
- 3. Other Contributing Employers. Employers that are not classified as New or Honor Roll Employers or who have been assessed significant delinquencies to the Benefit Funds or any of the ancillary funds to which contributions are owed pursuant to the collective bargaining agreements of the Laborers' District Council shall be scheduled for full audits at least once every three (3) years.

4. Employers Subject to Special Audits. At the discretion of the Director of the Field Department full audits of employers obligated to contribute to the Benefit Funds may be conducted at any time based upon information concerning possible delinquencies, e.g., failure to file monthly remittance reports, failure to pay contractually required wage rates, information concerning a possible closing or sale of the business, information that the employer is operating an alter ego or similar bases suggesting possible delinquencies.

FULL AND SAMPLING AUDITS

- 1. New Employers. If there is a sufficient number of employees of a New Employer, the auditor of the Benefit Funds may do a sampling audit to determine if the employer is maintaining accurate records and making required contributions, otherwise the auditor will do a full audit. An important purpose of audits for new employers is to inform employers of the procedures for contributing to the Benefit Funds and the requisite records to be maintained. *
- 2. Honor Roll Employers. Sampling audits shall be used for Honor Roll Employers if they have sufficient employees to warrant use of sampling methods. If a sampling audit discloses inaccurate or incomplete record keeping or evidence of significant delinquencies, a full audit shall be done.
- 3. Other Contributing Employers. Full audits shall be conducted if employers are not qualified as New or Honor Roll Employers.
- 4. Notwithstanding the foregoing, the Collection Committee or the Director of the Field Department may, in their discretion, determine that a full audit shall be done of any employer or that, where a sampling audit is to be conducted, specific records shall be produced.*
- * For information concerning the requisite records to be maintained, see the Laborers' Pension and Welfare Funds Policy for Retention and Production of Employer Records, effective as of April 1, 2006 and the Records Required to be Retained By Employers and Produced for Audits adopted January 9, 2002.

AMENDMENT TO THE RESTATED AGREEMENT AND DECLARATION OF TRUST CREATING LABORERS' PENSION FUND

WHEREAS, Article XII of the Restated Agreement and Declaration of Trust ("Trust Agreement") of the Laborer's Pension Fund (the "Fund") provides that the Board of Trustees have the authority to amend the Trust Agreement;

WHEREAS, Article IV of the Fund's Trust Agreement sets forth the powers and duties of the Trustees.

WHEREAS, the Trustees have an obligation to protect the interests of the Plan's Participants and to protect the assets of the Fund;

WHEREAS, the Trustees are aware of situations in which contributing Employers have ceased business operations leaving a large indebtedness to the Fund without a reasonable likelihood of the Fund collecting such delinquent contributions;

WHEREAS, the individual officers and owners of some Employers have secured jobs knowing that they will not comply with their legal obligations to the Fund by keeping accurate records of their laborer employees' employment and make all the required contributions to the Fund; and

WHEREAS, such illegal conduct causes substantial losses to the Fund and deprives Employers who comply with its obligations to the Fund of opportunities to secure employment for their laborer employees; and

WHEREAS, the individual officers, partners or owners of some contributing Employers have used various entities to avoid liability to the Fund for contributions that would otherwise be due and then created new companies in order to continue to operate using such illegal practices;

WHEREAS, in some instances such individual officers or owners have accepted employment as a supervisor or manager with another contributing Employer and been responsible for causing such Employers to fail to comply with their obligations to keep accurate records and make all required contributions;

WHEREAS, the Trustees have determined that certain individuals and entities (as hereinafter defined "Deadbeat Employers") who engage in these practices willfully or with reckless disregard for their legal obligations or with repeated incompetence at the expense of their employees and the Fund have caused the Fund to incur large financial losses and employees to lose benefit coverage for which they had worked;

WHEREAS, the Trustees have concluded that such Deadbeat Employers' practices result in unfair competition for other contributing Employers often with the result of enriching

themselves and depriving lawful Employers of needed work, and depriving the Fund's participants of benefits;

WHEREAS, it is the desire of the Trustees to amend the Trust Agreement in order expressly to provide that the Fund may impose appropriate protective financial requirements on any Employer that is owned by or that hires a Deadbeat Employer in a managerial or supervisory role;

NOW THEREFORE, the undersigned Trustees of the Fund, pursuant to the authority of Article XII of the Restated Agreement and Declaration of Trust, do hereby adopt the following Amendment to the Restated Agreement and Declaration of Trust effective as of August 1, 2006:

I.

The following is added as an additional Paragraph under Article I, "Certain Definitions", Section 2, "Employer":

"A "Deadbeat Employer" is defined as any entity or individual (including, but not limited to a corporation, partnership, or sole proprietorship and its respective officers, partners or owners) who have, or previously had in the last 10 years, incurred substantial liability to the Fund for delinquent contributions and then ceased operations or became insolvent, without satisfying such substantial liability and without any reasonable likelihood of paying the amounts due to the Fund. For purposes of this Section, substantial liability shall not be less than \$30,000."

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The following is added as Section (4) to Article VII, "Funding Pension Plan Benefits":

"Section 4. ADDITIONAL REQUIREMENTS FOR DEADBEAT EMPLOYERS.

- (a) EMPLOYER OWNED BY DEADBEAT EMPLOYER. Subject to the provisions of subsection (c) and following 30 days after receipt by the Employer of the Notice described therein, any Employer that is owned, whether in whole or in part, by a Deadbeat Employer shall be deemed by the Fund as a successor employer to the Deadbeat Employer for purposes of the delinquent contribution obligations of the Deadbeat Employer to the Fund and shall (i) be liable to the Fund for the unpaid liabilities of the Deadbeat Employer and (ii) be required to post a bond for the benefit of the Fund in an amount equal to twice the amount of the Deadbeat Employer's prior delinquencies to the Fund.
- (b) <u>EMPLOYER OPERATED BY DEADBEAT EMPLOYER</u> Subject to the provisions of subsection (c) and following 30 days after receipt by the Employer of the Notice described therein, any Employer whom the Trustees reasonably believe employs an officer, partner or owner of a Deadbeat Employer in a managerial or supervisory position or in any other responsible position in which the Deadbeat Employer may exercise any control over the assets of

the Employer or contribution obligations of the Employer to the Fund shall be deemed by the Fund as a successor employer to the Deadbeat Employer for purposes of the delinquent contribution obligations of the Deadbeat Employer to the Fund and shall (i) be liable to the Fund for the unpaid liabilities of the Deadbeat Employer and (ii) be required to post a bond for the benefit of the Fund in an amount equal to twice the amount of the Deadbeat Employer's prior delinquencies to the Fund.

- PROCEDURES BY WHICH AN EMPLOYER MAY AVOID LIABILITY UNDER THIS SECTION. The Fund shall send written notice (the "Notice") to any Employer whom the Trustees reasonably believe, is owned, in whole or part by a Deadbeat Employer, or who employs an officer, partner or owner of a Deadbeat Employer in a managerial or supervisory position or in any other responsible position in which the Deadbeat Employer may exercise any control over the assets of the Employer or contribution obligations to the Fund. The Notice will provide the Employer with a date certain, no less than 30 days after the date of transmittal of the Notice to the Employer, to provide evidence, satisfactory to the Trustees, that the Employer should not be subject to the provisions of subsections (a) or (b), as applicable, as the Employer deems appropriate in order to avoid liability under this Section. Any Employer, following the date set forth in the Notice from the Fund, who does not provide such satisfactory evidence to the Trustees, shall be subject to the obligations set forth in subsections (a) or (b), as applicable. Any Employer who employs an officer or owner of a Deadbeat Employer in a nonmanagerial or non-supervisory position or in any other position in which the Deadbeat Employer does not exercise any control over the assets of the Employer or contribution obligations to the Fund will not be considered a successor employer and will not be required to post the bond described in this Section.
- in addition to any other bond requirements set forth in the Written Agreement. The Trustees shall have discretion to waive the additional bond requirement or to reduce the amount of the bond, when, based on the specific circumstances, the Trustees determine it is reasonable to do so. Whenever a family member of a Deadbeat Employer purportedly has an ownership interest of an Employer that employs an officer, partner or owner of a Deadbeat Employer, there will be a rebuttable presumption that the Deadbeat Employer has substantial control over the assets of that Employer."

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Except as hereinbefore amended the Trust Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the undersigned Trustees have caused this Amendment to be executed on the dates appearing opposite their respective names.

Charles Cohen	9-18-06 DATE	Joseph Coconato	9/13/06 DATE
ALAN ESCHE	9/18/04 DATE	James P. Connolly	9/18/06 Date
ROBERTONKRUG	DATE	J. MICHAEL LAZZARETTO	<u>9/18/</u> 06 Date
RICHARD E. GRABOWSKI	7/18/06 DATE	FRANK RILEY	9/18/D6 DATE
DAVID H. LORIO	9/18/06 DATE	Jan Wught	9 19/00 DATE
GARY LENDSBERG	9/18/0(DATE	JEST THEMAND	<u>9-18-0</u> C Date

RESTATED AGREEMENT AND DECLARATION OF TRUST OF THE HEALTH AND WELFARE DEPARTMENT OF THE CONSTRUCTION AND GENERAL LABORERS' DISTRICT COUNCIL OF CHICAGO AND VICINITY

Restated through July 1, 2003



ARTICLE VI EMPLOYER CONTRIBUTIONS

Section 1. IN GENERAL. In order to fund the Benefits provided for by this Agreement each Employer, for the period that it is obligated by a Written Agreement, shall make contributions to the Trustees pursuant to regulations established by the Trustees at the times required by that agreement. The rate of contributions shall be determined by the applicable Collective Bargaining Agreements or Participation Agreements, together with any amendments supplements or modifications thereto. Notwithstanding the preceding sentence, if an Employer is required to make contributions by reason of a Participation Agreement or other Written Agreement that is not a Collective Bargaining Agreement, the amount of its contributions shall be not less than the amount required by the Collective Bargaining Agreement in effect between the Employer Association and the Union having jurisdiction over the geographic area in which the covered Employees perform their work. No Employee shall be permitted to contract or otherwise agree with or permit his Employer to provide wage or benefit payments which do not conform with the amount of contributions required under the foregoing provisions of this Section and any such contract or agreement shall be null and void. It shall not be a defense to any claim by the Trustees or an Employee for payment of delinquent contributions from an Employer that such Employer had entered into an agreement with any Employee purporting to waive the Employee's right to strict compliance with the provisions of the applicable Collective Bargaining Agreement or a Participation Agreement. All contributions shall be paid in the manner and form required by the Trustees.

Section 2. DEFAULT IN PAYMENT OF CONTRIBUTIONS. Nonpayment by and Employer of any contributions when due shall not relieve any other Employer of his obligation to make payments. The Trustees may take any action necessary to enforce payment of the contributions and penalties due hereunder, including, but not limited to, proceedings at law and in equity. Any such action shall not prejudice the Union in any action it may wish to take on account of such nonpayment. The Trustees are authorized to establish a reasonable and lawful grace period by which contributions must be received; Employers making contributions that are not received before the expiration of said period and any Employer making late payments due under an installment agreement shall be assessed liquidated damages of 10% of the amount of the contributions which are owed. All Employers party to or otherwise bound by this Agreement acknowledge that the liquidated damages will be used to defer administrative costs arising by said delinquency and acknowledge the costs to be actual and substantial though difficult to ascertain; however the Employers acknowledge these costs to be at a minimum of 10% waiving the necessity of any additional proof thereof. In addition, the delinquent contributions and any payments by the Employer pursuant to an installment agreement, shall bear interest, up to the prime rate plus two points, charged by the Fund's custodian bank (or any other bank selected by the Trustees) or such other lawful amount as determined by the Trustees from the due date until totally satisfied. The Trustees are hereby given the power and authority, in their discretion, to assess a lesser amount or to waive or suspend payment of liquidated damages, interest, audit fees or investigative costs in accordance with rules and procedures adopted by the Collection, Committee of the Board of Trustees and to compromise claims for delinquent contributions and related liabilities and collection costs where appropriate to settle cases favorably for the Welfare

Fund. The Collection Committee may include trustees of the Laborers' Pension Fund Mar members of such Collection Committee.

In the event an Employer party to this Agreement or otherwise bound thereby becomes delinquent in his contributions or an installment agreement, or fails to post a bond as required, or refuses to provide the records required to be kept by contributing employers or submit to an audit, said delinquent Employer shall be liable for reasonable attorneys' fees and for all reasonable costs incurred in the collection process, including but not limited to, court fees, audit fees and investigative costs. The term "reasonable attorneys' fees" as used herein shall mean all attorneys' fees in the amounts for which the Trustees become legally obligated for actions seeking delinquent contributions, to compel an audit, or for recovery of liquidated damages, audit costs, filing fees and any other expenses incurred by the Trustees.

The Trustees are hereby given the power and authority in their discretion, to require any Employer to deposit with the Trustees, in advance, as a guarantee for the payment of monthly contributions, an amount equal to three (3) times the monthly contributions of such Employer, as estimated by the Trustees. At the option of the Trustees the Employer shall furnish the Trustees in lieu of any cash deposit a bond in an amount not less than Five Thousand Dollars (\$5,000.00), or in an amount consistent with the terms of the current Collective Bargaining Agreement to which the Employer is subject. In the event an Employer is repeatedly delinquent in its contribution payments to the Welfare Fund, the Trustees have the power and authority to require that Employer to purchase a bond in excess of \$5,000.00 or the amounts set forth in the current Collective Bargaining Agreements in an amount equal to three (3) times the highest monthly contributions of the Employer in the twelve months prior to any delinquency. The Trustees, in their discretion, may also waive the requirement of a cash deposit or a surety bond in lieu of a personal guaranty when such waiver is warranted.

Section 3. REPORT ON CONTRIBUTIONS AND PRODUCTION OF RECORDS. The Employers shall make all reports on contributions required by the Trustees. Each Employer shall promptly furnish to the Trustees, on demand, the names of its employees, their social security numbers, the hours worked by each employee, and such other information as the Trustees may reasonably require in connection with the administration of the Trust. The Trustees may at any time have an audit made by an independent accounting firm of the payroll of any Employer in connection with the said contributions and/or reports. All Employers shall be required to maintain records in compliance with procedures from the beginning of such Employer's participation in the Trust until given written authorization by the Administrator, upon request, to destroy said records. The Administrator shall require the Employer to designate the classification of all of his employees and if the Employer fails to do so, the Trustees shall conduct an investigation for the purpose of determining the classification of such employees and the results of said investigation shall be conclusive. Attached hereto as Addendum A are the current collection policies concerning the Scheduling of Audits and Retention and Production of Employer Records adopted by the Trustees.

ADDENDUM A

RECORDS REQUIRED TO BE RETAINED BY EMPLOYERS AND PRODUCED FOR AUDITS

The following records shall be maintained and retained by all contributing employers to the Benefit Funds for at least six years from the contribution date and shall be produced for inspection and copying by an auditor of the Benefit Funds upon written request:

- 1. Quarterly and annual payroll tax returns, including, but not limited to, federal quarterly form 941's, federal annual form W-2's, W-3's, 940's, 1099's and state quarterly unemployment returns (form UC-3).
- 2. Payroll journals and/or registers which include or identify employees' social security numbers, hourly rates of pay, hours worked and the time period in which the work was performed.
- 3. Individual earnings records for all employees of the employer not shown on payroll journals or registers, including social security number and work classification (or code or clock or ID number), hourly rates of pay, hours worked and the time period in which the work was performed.
 - 4. Cash disbursement journals and general ledgers.
- 5. Copies of all contribution reports and proof of payment (canceled checks or records of canceled checks) of all contributions to the Laborers' Funds and to all other trade union fringe benefit funds to which the employer contributed.
- 6. Copies of all dues records and proof of payment (canceled checks or records of canceled checks) of all union dues submitted to the Laborers' District Council.
- 7. Records showing all amounts paid to all persons or entities that performed work for the employer as independent contractors or subcontractors, if any, including copies of any federal form 1099's issued by the employer.
 - 8. Daily time records filed by employees or supervisors.
 - 9. Source documents and lists of job codes and equipment codes.
 - 10. Certified payrolls for public sector jobs where such payrolls are required.
- 11. Employee personnel files including, but not limited to, last known addresses and telephone numbers, any documents which demonstrate employees' job classifications and/or status as an apprentice, journeyman, foreman, superintendent, or supervisor. (Confidential medical records or other private records not relevant to the establishment of an employee's job classification shall not be disclosed.)

- 12. Bank account statements and canceled checks from any account used in conjunction with the employer's business.
- 13. If records of all hours worked, rates of pay and classifications are not provided in the records listed in items 1 through 10, the employer shall maintain monthly lists of all employees not shown on payroll records, showing Social Security number and work classification (or code or clock or ID number), rates of pay and hours worked.

Honor Roll Employers shall be required only to produce basic records needed by the Benefit Funds' auditors to do an audit, specifically items 1 through 7 above. However, if an initial examination of such limited records discloses significant record keeping errors or failures to contribute, the auditor may request additional records listed above. In the absence of evidence of a deliberate failure by an Honor Roll Employer to contribute on behalf of a bargaining unit employee, the rebuttable presumptions provided for in the attached Policy for Retention and Production of Employer Records shall not apply to such Honor Roll Employer.

Notwithstanding the foregoing, the Collection Committee or the Director of the Field Department may, in their discretion, determine that a full audit shall be done of any employer or that, where a sampling audit is to be conducted, specific records shall be produced. The judgment of the trustees in interpreting and applying this policy shall be conclusive and binding on all parties.

Adopted January 9, 2002

LABORERS' PENSION AND WELFARE FUNDS

POLICY FOR RETENTION AND PRODUCTION OF EMPLOYER RECORDS

As Adopted by the Boards of Trustees Effective as of April 1, 2006

WHEREAS, Section 209 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), 29 U.S.C. Section1059, requires employers obligated to contribute to employee benefit funds to maintain records with respect to its employees which are sufficient to determine benefits due to such employees of which may become due to them; and

WHEREAS, the Trustees of the Laborers' Pension Fund and the Trustees of the Health and Welfare Department of the Construction and General Laborers' District Council of Chicago and Vicinity (collectively, the "Benefit Funds") have the authority under their respective Trust Agreements to establish rules, regulations and policies regarding records which must be maintained by employers in order to administer the Benefit Funds; and

WHEREAS, the Trustees of the Benefit Funds have found that most contributing employers maintain proper records and make all required contributions to the Benefit Funds, nevertheless, there are employers who are bound by the Trust Agreements of the Benefit Funds who fail to maintain records which are adequate for the Funds to determine whether proper contributions have been made on behalf of eligible employees and that some of such employers do so deliberately in order to avoid their obligations to make such payments; and

WHEREAS, the practices of employers who fail to maintain records sufficient to enable the Benefit Funds to conduct thorough payroll audits cause their employees to lose valuable pension and welfare benefits and cause the Benefit Funds to lose contractually required contributions and investment earnings on those contributions; and

WHEREAS, the practices of employers who fail to maintain adequate records cause the Benefit Funds to incur substantial additional administrative and legal expenses in order to determine proper amounts owed to the Funds by such employers; and

WHEREAS, enforcement of a policy specifying the records required to be maintained and produced increases the ability of the Funds to prove the contributions owed by delinquent employers and thereby to provide proper credit to the employees and their beneficiaries;

NOW THEREFORE, the Trustees resolve that the following policies are adopted by the Benefit Funds effective as of March 1, 2002:

- 1. Except as otherwise provided herein, all contributing employers to the Benefit Funds shall maintain and make available for inspection and copying by an auditor of the Benefit Funds the records listed on Appendix A, attached hereto.
- 2. Any employer obligated to contribute to the Benefit Funds who fails to maintain and make available for inspection and copying to an auditor of the Benefit Funds the requisite records listed on Appendix A shall bear the burden of proof with respect to the exclusion of any employee from coverage by the collective bargaining agreement with the Union. In those cases where an employer asserts that an employee is excluded because he/she is a member of another bargaining unit, the employer must submit tangible evidence of that fact, e.g., a union membership card, contribution records maintained for the benefit funds of the other bargaining unit, commercial drivers' license if it is asserted that an employee is a truck driver rather than a laborer and workers' compensation policies, forms and applications listing an employee's job classification or other business records. The affidavit of an employer's representative or officer unsupported by documentary evidence shall not be sufficient to meet the employer's burden of proof. Affidavits solicited and obtained ex parte by an employer's representative from employees, for which there is no corroborative evidence in the form of records maintained in the ordinary course of business, shall not be sufficient to meet the employer's burden of proof.
- 3. When an employer has failed to maintain or make available the requisite records, there shall be a rebuttable presumption that any employee listed as a possible laborer by an auditor, Field Representative or attorney representing the Benefit Funds was a laborer. There shall also be rebuttable presumptions concerning the hourly rate and number of hours worked as follows: (a) that the employee was paid only \$10.00 per hour if no record of wage rates was made by the employer, and/or (b) that the employee worked 72 hours per week if no record of the number of hours was maintained; whichever of these presumptions results in the higher amount of contributions shall be applied. When evidence exists that a different hourly rate was paid to employees of an employer that failed to maintain the required records, at the discretion of the Director of the Field Department, a different hourly rate may be presumed for purposes of determining the amount of contributions owed by the employer. If that evidence shows that the employer paid a rate lower than \$10.00 per hour to any employees doing bargaining unit work, then that lower rate shall be presumed to be the actual rate paid to all employees for whom adequate records were not kept. Similarly, where evidence exists of a different number of hours worked, the Director may apply a different number of hours for determining the contributions owed, and this number of hours worked shall be presumed correct. All wages computed as provided in this paragraph shall be presumed to be paid as straight time wages regardless of the number of hours worked unless the employer has provided documentation, in the form required by the terms of this policy, showing that it followed the requirements of the Fair Labor Standards Act and/or the applicable collective bargaining agreement as to the payment of overtime.
- 4. An employer that fails to maintain the requisite records and fails to cooperate with the Trustees in establishing the paid wage rates, actual hours of work and contributions owed to the Benefit Funds shall be liable to the Benefit Funds and any related organizations, for the contribution amounts determined as provided herein and also for 20% liquidated damages, compound interest at the rate of prime plus 2 points (as determined by the Administrator), auditor's and attorney's fees and any other expenses of collection including investigative costs.

LABORERS' PENSION AND WELFARE FUNDS

POLICY FOR SCHEDULING OF AUDITS

As Adopted by The Boards of Trustees Effective as of April 1, 2006

Contributing employers to the Laborers' Pension Fund and the Health and Welfare Department of Construction and General Laborers' District Council of Chicago and Vicinity (collectively, the "Benefit Funds"), shall be audited periodically in accordance with the procedures adopted by the Collection Committee of the Benefit Funds. The Director of the Field Department, in cooperation with the Benefit Funds' auditors, shall prepare a schedule for auditing contributing employers in accordance with the following procedures.

Two types of audits shall be conducted: "full audits" in which payroll and other records on all employees are examined and "sampling audits" in which a selection of payroll and other records are tested to enable the compliance auditor to make a reasonable determination that there are no delinquencies. A sampling audit should include a review of all types of records (e.g. payroll records, tax records, cash disbursement records, reports to other benefit funds, etc.) Where a sampling audit discloses delinquencies or related record discrepancies, a full audit shall be conducted.

Employers shall be scheduled for either full audits or sampling audits in groups based upon the contribution histories of the employers. Either a sampling or full audit shall be conducted at least once every five (5) years. Any employer that fails to schedule an audit and submit records for review within 45 days from the date of the audit request will be liable for all costs of compelling and enforcing the audit request. The following procedures shall be used:

AUDIT PERIOD

- 1. New Employers. New employers shall be scheduled for audits within the first year in which contributions to the Benefit Funds are required.
- 2. Honor Roll Employers. Employers with a history of adequate record keeping and timely, payments to the Benefit Funds ("Honor Roll Employers"), shall be required to submit to audits every three (3) to five (5) years. Following an audit showing adequate record keeping and correct payments, such an employer shall be designated an Honor Roll Employer and shall be selected randomly for an audit between the third and fifth year thereafter. (Such employers may opt for a scheduled audit every three years.) An inadvertent shortage of no more than the greater of \$1000 or two percent (2%) of required contributions determined on a full audit covering three or more years of contributions to the Benefit Funds shall not disqualify an employer from inclusion in this group.
- 3. Other Contributing Employers. Employers that are not classified as New or Honor Roll Employers or who have been assessed significant delinquencies to the Benefit Funds or any of the ancillary funds to which contributions are owed pursuant to the collective bargaining agreements of the Laborers' District Council shall be scheduled for full audits at least once every three (3) years.

4. Employers Subject to Special Audits. At the discretion of the Director of the Field Department full audits of employers obligated to contribute to the Benefit Funds may be conducted at any time based upon information concerning possible delinquencies, e.g., failure to file monthly remittance reports, failure to pay contractually required wage rates, information concerning a possible closing or sale of the business, information that the employer is operating an alter ego or similar bases suggesting possible delinquencies.

FULL AND SAMPLING AUDITS

- 1. New Employers. If there is a sufficient number of employees of a New Employer, the auditor of the Benefit Funds may do a sampling audit to determine if the employer is maintaining accurate records and making required contributions, otherwise the auditor will do a full audit. An important purpose of audits for new employers is to inform employers of the procedures for contributing to the Benefit Funds and the requisite records to be maintained. *
- 2. Honor Roll Employers. Sampling audits shall be used for Honor Roll Employers if they have sufficient employees to warrant use of sampling methods. If a sampling audit discloses inaccurate or incomplete record keeping or evidence of significant delinquencies, a full audit shall be done.
- 3. Other Contributing Employers. Full audits shall be conducted if employers are not qualified as New or Honor Roll Employers.
- 4. Notwithstanding the foregoing, the Collection Committee or the Director of the Field Department may, in their discretion, determine that a full audit shall be done of any employer or that, where a sampling audit is to be conducted, specific records shall be produced.*
- * For information concerning the requisite records to be maintained, see the Laborers' Pension and Welfare Funds Policy for Retention and Production of Employer Records, effective as of April 1, 2006 and the Records Required to be Retained By Employers and Produced for Audits adopted January 9, 2002.

AMENDMENT TO THE RESTATED AGREEMENT AND DECLARATION OF TRUST OF THE HEALTH AND WELFARE DEPARTMENT OF THE CONSTRUCTION AND GENERAL LABORERS' DISTRICT COUNCIL OF CHICAGO AND VICINITY

WHEREAS, Article XI of the Restated Agreement and Declaration of Trust ("Trust Agreement") provides that the Board of Trustees of the Health and Welfare Department of the Construction and General Laborers' District Council of Chicago and Vicinity ("Fund") have the authority to amend the Trust Agreement;

WHEREAS, Article IV of the Fund's Trust Agreement sets forth the powers and duties of the Trustees;

WHEREAS, the Trustees have an obligation to protect the interests of the Plan's Participants and to protect the assets of the Fund;

WHEREAS, the Trustees are aware of situations in which contributing Employers have ceased business operations leaving a large indebtedness to the Fund without a reasonable likelihood of the Fund collecting such delinquent contributions;

WHEREAS, the individual officers and owners of some Employers have secured jobs knowing that they will not comply with their legal obligations to the Fund by keeping accurate records of their laborer employees' employment and make all the required contributions to the Fund; and

WHEREAS, such illegal conduct causes substantial losses to the Fund and deprives Employers who comply with its obligations to the Fund of opportunities to secure employment for their laborer employees; and

WHEREAS, the individual officers, partners or owners of some contributing Employers have used various entities to avoid liability to the Fund for contributions that would otherwise be due and then created new companies in order to continue to operate using such illegal practices;

WHEREAS, in some instances such individual officers or owners have accepted employment as a supervisor or manager with another contributing Employer and been responsible for causing such Employers to fail to comply with their obligations to keep accurate records and make all required contributions;

WHERBAS, the Trustees have determined that certain individuals and entities (as hereinafter defined "Deadbeat Employers") who engage in these practices willfully or with reckless disregard for their legal obligations or with repeated incompetence at the expense of their employees and the Fund have caused the Fund to incur large financial losses and employees to lose benefit coverage for which they had worked;

WHEREAS, the Trustees have concluded that such Deadbeat Employers' practices result in unfair competition for other contributing Employers often with the result of enriching themselves and depriving lawful Employers of needed work, and depriving the Fund's participants of benefits;

WHEREAS, it is the desire of the Trustees to amend the Trust Agreement in order expressly to provide that the Fund may impose appropriate protective financial requirements on any Employer that is owned by or that hires a Deadbeat Employer in a managerial or supervisory role;

NOW THEREFORE, the undersigned Trustees of the Fund, pursuant to the authority of Article XII of the Restated Agreement and Declaration of Trust, do hereby adopt the following Amendment to the Restated Agreement and Declaration of Trust effective as of August 1, 2006:

I.

The following is added as an additional Paragraph under Article I, "Certain Definitions", Section 2, "Employer":

"A "Deadbeat Employer" is defined as any entity or individual (including, but not limited to a corporation, partnership, or sole proprietorship and its respective officers, partners or owners) who have, or previously had in the last 10 years, incurred substantial liability to the Fund for delinquent contributions and then ceased operations or became insolvent, without satisfying such substantial liability and without any reasonable likelihood of paying the amounts due to the Fund. For purposes of this Section, substantial liability shall not be less than \$30,000."

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The following is added as Section (4) to Article VI, "Employer Contributions":

"Section 4. ADDITIONAL REQUIREMENTS FOR DEADBEAT EMPLOYERS.

- (a) EMPLOYER OWNED BY DEADBEAT EMPLOYER. Subject to the provisions of subsection (c) and following 30 days after receipt by the Employer of the Notice described therein, any Employer that is owned, whether in whole or in part, by a Deadbeat Employer shall be deemed by the Fund as a successor employer to the Deadbeat Employer for purposes of the delinquent contribution obligations of the Deadbeat Employer to the Fund and shall (i) be liable to the Fund for the unpaid liabilities of the Deadbeat Employer and (ii) be required to post a bond for the benefit of the Fund in an amount equal to twice the amount of the Deadbeat Employer's prior delinquencies to the Fund.
- (b) <u>EMPLOYER OPERATED BY DEADBEAT EMPLOYER</u>. Subject to the provisions of subsection (c) and following 30 days after receipt by the Employer of the Notice described therein, any Employer whom the Trustees reasonably believe employs an officer, partner or owner of a Deadbeat Employer in a managerial or supervisory position or in any other responsible position in which the Deadbeat Employer may exercise any control over the assets of

the Employer or contribution obligations of the Employer to the Fund shall be deemed by the Fund as a successor employer to the Deadbeat Employer for purposes of the delinquent contribution obligations of the Deadbeat Employer to the Fund and shall (i) be liable to the Fund for the unpaid liabilities of the Deadbeat Employer and (ii) be required to post a bond for the benefit of the Fund in an amount equal to twice the amount of the Deadbeat Employer's prior delinquencies to the Fund.

- PROCEDURES BY WHICH AN EMPLOYER MAY AVOID LIABILITY UNDER THIS SECTION. The Fund shall send written notice (the "Notice") to any Employer whom the Trustees reasonably believe, is owned, in whole or part by a Deadbeat Employer, or who employs an officer, partner or owner of a Deadbeat Employer in a managerial or supervisory position or in any other responsible position in which the Deadbeat Employer may exercise any control over the assets of the Employer or contribution obligations to the Fund. The Notice will provide the Employer with a date certain, no less than 30 days after the date of transmittal of the Notice to the Employer, to provide evidence, satisfactory to the Trustees, that the Employer should not be subject to the provisions of subsections (a) or (b), as applicable, as the Employer deems appropriate in order to avoid liability under this Section. Any Employer, following the date set forth in the Notice from the Fund, who does not provide such satisfactory evidence to the Trustees, shall be subject to the obligations set forth in subsections (a) or (b), as applicable. Any Employer who employs an officer or owner of a Deadbeat Employer in a nonmanagerial or non-supervisory position or in any other position in which the Deadbeat Employer does not exercise any control over the assets of the Employer or contribution obligations to the Fund will not be considered a successor employer and will not be required to post the bond described in this Section.
- (d) <u>MISCELLANEOUS PROVISIONS</u>. The bond referenced in this Section shall be in addition to any other bond requirements set forth in the Written Agreement. The Trustees shall have discretion to waive the additional bond requirement or to reduce the amount of the bond, when, based on the specific circumstances, the Trustees determine it is reasonable to do so. Whenever a family member of a Deadbeat Employer purportedly has an ownership interest of an Employer that employs an officer, partner or owner of a Deadbeat Employer, there will be a rebuttable presumption that the Deadbeat Employer has substantial control over the assets of that Employer."

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Except as hereinbefore amended, the Trust Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the undersigned Trustees have caused this Amendment to be executed on the dates appearing opposite their respective names.

CHARLES J. GALLAGHER	DATE	James P. Connolly	9/19/06 DATE
ALANKSON JOH	9/19/0C DATE	RANDY DALTON	9/19/06 Date
RICHARD E. GRABOWSKI	9/19/06 DATE	MARTIN FLANAGAN	9-19-06 DATE
Dayrio H. Loric	9/19/0° DATE	LIBORATO NAIMOLI	9/19/06 DATE
DENNIS MARTIN	9/19/06 DATE	SCOTT PAVLIS	9/19/06 DATE
Tim Joseph Celli	OF POLO	FRANK RILEY	9/19/06 DATE/

(the "Company"), the party of the second part.

This Installment Note ("Note") is made between the Laborers' Pension Fund ("Pension Fund") and Laborers' Welfare Fund of the Health and Welfare Department of the Construction and General Laborers' District Council of Chicago and Vicinity ("Health and Welfare Fund" or collectively the "Funds"), the parties of the first part, and Central Subarban Maintenance. Inc.

WHEREAS, the Company has at all relevant times been party to a collective bargaining agreement ("CBA") with the Construction and General Laborers' District Council of Chicago and Vicinity, whereunder it is obligated to make certain contributions to the above-named Funds, as well as to the Training Fund, on behalf of its covered employees, and to submit payment of all employee union dues:

WHEREAS, the Company has failed to timely pay certain contributions owed to the Funds for the period of August 2068 thru September 2008.

WHEREAS, the Company has failed to remit all employee union dues to the Funds, as the designated collection agent for the Construction and General Laborers' District Council of Chicago and Vicinity, for the period of August 2008 thru September 2008.

WHEREAS, the Company desires to pay all delinquencies owed to the Funds, to pay all union dues owed to the Construction and General Laborers' District Council of Chicago and Vicinity, together with liquidated damages, and interest, as set forth below and further desires to remain current in its obligation to pay contributions to the Funds.

THE PARTIES HEREBY AGREE as follows:

- 1. The Company will pay \$22.606.69 to the Health and Welfare Fund (comprised of \$14.198.65 in delinquent contributions, \$7.571.01 in liquidated damages, \$297.50 in attorneys fees and costs and \$539.53 is interest) (based on an interest rate of 6.5%). The Company will also pay \$15.917.47 to the Pension Fund (comprised of \$9.921.37 in delinquent contributions, \$5.320.87 in liquidated damages, \$297.50 in attorneys fees and costs and \$377.73 in interest). All of these amounts shall be paid according to the schedule described below in paragraphs 4 and 5.
- 2. The Company will also pay \$521.52 to the Training Fund (comprised of \$434.17 in delinquent contributions, \$86.83 in liquidated damages and \$.52 in interest), \$123.95 to the CCA Fund (comprised of \$112.56 in delinquent contributions, \$11.26 in liquidated damages and \$.13 in interest), \$106.25 to the LECET Fund (comprised of \$96.48 in delinquent contributions, \$9.65 in liquidated damages and \$.12 in interest), \$212.49 to the LDCMC Fund (comprised of \$192.96 in delinquent contributions, \$19.20 in liquidated damages and \$.23 in interest) and \$2.083.91 in union dues (comprised of \$1.571.90 in delinquent contributions and \$432.91 in liquidated damages). These delinquent amounts shall be paid in their entirety at the time payment under this Note commences, in accordance with the schedule described in paragraph 4.
- The Company will also pay the Funds or the sum of \$595.60 representing attorney fees and costs incurred by the Funds in Case No.68 C 5958. This amount is split equally between Welfare and Pension as described in paragraph 1 above.
- 4. On November 15, 2008, the Company will pay twenty percent (20%) of the total outstanding indebtedness, excluding note interest and the delinquent amounts described above in paragraph 2, or \$4,357.33 to the Health and Welfare Fund and \$3,050.83 to the Pension Fund.
- 5. For twelve (12) consecutive months commencing on <u>January 1, 2009</u> and ending on <u>December 1, 2009</u>, the Company will pay \$1,520.78 per month to the Health and Welfare Fund and \$1,072.22 per month to the Pention Fund.
- The Company will remit all payments to the Funds' Administrative Offices, which are located at 11465 Commit
 Road, Westchester, Hilmois 60154.
- 7. The Company understands and agrees that this Installment Note is based on reports submitted by the Company to the Funds and that the Funds reserve the right to conduct an audit, in accordance with the terms of the collective bargaining agreement and the Funds' respective Agreements and Declarations of Trust, to determine benefit contribution compliance for the time period covered herein and further reserve the right to collect any unpaid contributions, unlon dues, interest, liquidated damages, and audit costs as shown on said audit.



- 8. Payments made pursuant to this Installagent Note shall be considered "contributions" as defined under the terms of the CBA and the Fund's respective Agreements and Declarations of Trust. If the contributions are not paid by the 10" day following the date on which payment should have been received, the contribution shall be considered delinquent and all charges which apply to the late payment of contributions under the terms of the CBA and the Fund's respective agreements and Declarations of Trust shall apply, including, but not limited to, the assessment of interest and liquidated damages. Further, in the event the Company fails to timely make any payments described in this Note. All amounts described in paragraph 1 herein shall immediately become due on the 10th day following the date on which payment should have been received by the Fund's under the terms of this Note. In such event the Company further agrees to pay all attorney fees and costs incurred by the Funds in any action to enforce any part or all of this note.
- 9. This installment Note is conditioned on the Company's staying current on its obligations to the Funds under the terms of the collective bargaining agreement and the Funds' respective Agreements and Declarations of Trust. In the event that the Company fails to maintain its obligations under the terms of the collective bargaining agreement and the Funds' respective Agreements and Declarations of Trust, including, but no limited to, its obligations to submit timely contribution reports and to make timely contribution payments by the tenth day following the mouth in which laborers' work was performed, then the Funds shall have the right to accelerate and collect all amounts due under this Installment Note, plus payment of all attorneys' fees and costs incurred by the Funds in any action to accelerate this Installment Note.
- 10. The Company further agrees to obtain and maintain a surety bond to insure the payment of wages and benefit contributions as required under the terms of the CBA.
- 11. The Company shall have the right to prepay the entire amount due under the Note prior to the date upon which payment is due without penalty and without payment of any precalculated Note interest that has not accreed as of the date full payment has been made.

The Parties hereby agree to these terms by their execution hereof on the 15 day of the 1011 2008.

Central Suburban Maintenance, Inc.

By: Hannes Colge

Laborers' Pension Fund

Laborers' Welfare Fund of the Health and Welfare Department of the Construction and General Laborers' District Council of Chicago and Vicinity.

INSTALLMENT NOTE DECLARATION

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6.	Identify all company bank accounts and the current account balance.
7.17	Margan Chase Bank St. Charles
	Balance # 3500 -
I decla	re under penalty of perjury that the foregoing is true and correct.
_11/15	- Warren Volce
Date /	(Signature)

GUARANTY OF PAYMENT AND INDEMNIFICATION

WHEREAS, Central Suburban Maintenance, Inc. (the "Company") has agreed to pay a total of \$41,492.28 to the Funds in settlement of the alleged delinquent contributions owed to the Funds and to be paid under the terms of a Settlement Agreement and Installment Note ("Note").

WHEREAS, the Funds are unwilling to enter into the Note unless the guarantor executes this Guaranty: and

WHEREAS, the Guarantor has a financial interest in the Company and will be benefited by the Note:

NOW WHEREAS, in consideration of the foregoing, the Guarantor agrees as follows:

- 1. Guaranty of Payment and Indemnification. The undersigned guarantees, absolutely and unconditionally:

 (a) the payment when due of the entire principal indebtedness and all interest evidenced by the Note during the twelve (12) month payment period including interest and liquidated damages for late or unpaid payments due on the note; and (b) the full and complete payment of any and all fees and costs incurred pursuant to default under terms of the Note, whether litigation is involved or not, and if involved, whether at the trial or appellate levels or in pre- or post-judgement bankruptcy proceedings in enforcing or realizing upon the obligations of the Guarantor hereunder (the obligations of Guarantor under this Paragraph 1 are collectively hereinafter referred to as the "Obligations"). The Guarantor also agrees to be personally liable for all monthly benefit contributions, union dues and/or wages owed from the Company to the Funds, the District Council, all ancillary funds, and/or the participants that are due at the time the Note and Guaranty are entered into and/or are incurred and become due and owing for the duration of the Note, including all interest, liquidated damages, audit costs, attorneys' fees and costs.
- 2. Continuing Guaranty. This Guaranty shall be a continuing Guaranty, and shall not be discharged, impaired or affected by; (a) the existence or continuance of any obligation on the party of the Company with respect to the Note; (b) any forbearance or extension of the time of payment of the Note; (c) the validity or invalidity of the Note; (d) any defenses whatsoever that the Company or any of the party thereto may have to the performance or observance of any term, covenant or condition contained in the Note; (e) the existence or non-existence of the Company as a legal entity; (f) any limitation or exculpation of (other than the payment and performance in full of all of the Company's Obligations) that Guarantor may have as to his undertakings, liabilities and obligations hereunder, including any defenses based upon any legal disability of the Company or any discharge or limitation of the disability of the Company, whether consensual or arising by operation of law or any bankruptcy, insolvency or debtor-relief proceeding, or from any other cause, each and every such defense being hereby waived by the Guarantor.
- Waivers. Guarantor waives diligence, presentment, protest, notice of dishonor, demand for payment, extension of time of payment, notice of acceptance of this Guaranty, non-payment at maturity and indulgences and notices of every kind not provided for under this Guaranty. It is the intention of this Guaranty that Guarantor shall remain liable as principal, notwithstanding any act, omision or thing which might otherwise operate as a legal or equitable discharge of Guarantor, until all of the Company's obligations shall have been fully paid and performed.
- 4. <u>Subrogation.</u> Notwithstanding anything to the contrary elsewhere contained herein or in the Note, the guarantor expressly waive with respect to the Company any and all rights at law or in equity to subrogation, to reimbursement, to exoneration, to contribution, to set off or to any other rights that could accrue to a surety against a principal, to the Guarantor against a maker or obligor, to an accommodation party against the party accommodated, or to a holder or transferee against a maker, and which the guarantor may have or hereafter acquire against the Company in connection with or as a result of Guarantor's execution, delivery and/or performance of this Guaranty or the Note.



CALIFORNIA TOURISM

The Guarantor agrees that he or she shall not have or assert any such rights against the Company or its successors and assigns or any other period (including and surety), either directly or as an attempted set off to any action commenced against the Guarantor by the Company (as borrower or in any other capacity) or any other person.

- 5. <u>Independent Obligations</u>. The Funds may enforce this Guaranty without first resorting to or without first having recourse to the Note; provided, however, that nothing herein contained shall preclude the Funds form uning on the Note or from exercising any other rights; and the Funds shall note be required to institute or prosecute proceedings to recover any deficiency as a condition of any payment hereunder or enforcement hereof.
- 6. Acceleration. In the event that payments due under the Note shall be accelerated, the Guarantor's obligations accelerated without further notice from the Funds.
- 7. Effect of Bankruptcy. This Charanty shall continue in full force and effect notwithstanding the institution by or against the Company of bankruptcy, reorganization, readjustment, receivership or insolvency proceedings of any nature, or the disaffirmance of the Note in any such proceedings, or others.
- 8. Termination. This Guaranty shall remain in full force and effect as to the Guarantor until all of the Companys' Obligations under the Note outstanding shall be finally and irrevocably paid in full. Payment of all of the Company's Obligations form time to time shall not operate as a discontinuance of this Guaranty. If after receipt of any payment of all or any part of the Company's Obligations, the Funds are for any reason compelled to surrender such payment to any person or entity, because such payment is determined to be void or voidable as a preference, impermissible set off, or a diversion of trust fund, or for any reason, this Guaranty shall continue in full force notwithstanding any contract action which may have been taken by the Funds in reliance upon such payment, and any such contrary action so taken shall be without prejudice to the Funds' rights under this Guaranty and shall be deemed to have been conditioned upon such payment having become final and irrevocable.
- 9. The Company's Financial Condition. The guaranter assumes full responsibility for keeping fully informed of the Company's financial condition and all other circumstances affecting the Company's ability to perform its Obligations, and agree that the Funds will have no duty to report to Guaranter any information which the Funds receive about the Company's financial condition or any circumstances bearing on its ability to perform.
- 10. Expenses. The undersigned agrees to pay and reimburse the Funds for all cost and attorney's fees, which they may expend or incur in the enforcement of this Guaranty or any of the Company's Obligations under the Note.
- 11. <u>Delay. Cumulative Remedies.</u> No delay or failure by the Funds to exercise any right to remedy against the Company or Guarantor will be construed as a waiver of that right or remedy. All remedies of the Funds against the Company and the Guarantor are cumulative.
- binding upon and enforceable against the Guarantor and Guarantor's heirs, legal representatives, successors and assigns. In the event of the death of the Guarantor, the obligations of such deceased Guarantor shall continue in full force and effect against his estate, personal representatives, successors and assigns. Without limiting the generality of the foregoing, the Funds (or their successors and assigns) may from time to time and without notice to undersigned, assign any and all of their rights under this Guaranty without in any way affecting or diminishing the obligations of the undersigned hereunder, who shall continue to remain bound by the obligated to perform under and with respect to this Guaranty as though there had been no such assignment.
- 13. <u>Default</u> The Guarantor hereby authorizes irrevocably any attorney of any court of record to appear for him/her in such court, at any time after ten (10) days notice after default in any payment due under this Guaranty, and confess judgement against Guarantor, after service of notice of the claimed default, in favor of the Funds for such amount to be unpaid and owed thereon, including interest, liquidated damages and reasonable cost of collection including reasonable attorneys' fees. The Guarantor agrees to waive and release all errors which may intervene in any

such proceedings, and consent to immediate execution upon such judgement, hereby ratify and confirming all that said attorney may do by virtue hereof.

- 14. Warranties. Guarantor makes to the Funds the following representations and warranties:
- (a) <u>Authorization</u>. Guarantor has full right, power and authorization to enter into this Guaranty and carry out his obligations hereunder
- (b) No Conflict. The execution, delivery and performance by Guarantor of this Guaranty will not violate or be in conflict with, results in a breach of, or constitute a default under, any indenture, agreement or any other instrument to which Guarantor is a party or by which Guarantor or any of his assets or properties is bound, or any order, writ, injunction or decree of any court or governmental institute.
- (c) <u>Litigation</u>. There are no actions, suits or proceedings pending, or to the knowledge of Guarantor, threatened against or adversely affecting any Guarantor at law of in equity or before or by governmental agency or instrumentality which involve any of the transactions herein contemplated, or the possibility of any judgement or liability which may result in any material and adverse change in the financial condition of any Guarantor is not in default with respect to any judgment, order, writ, injunction, decree, rule or regulation of any court.
- (d) <u>Enforceability</u>. This guaranty is a legal, valid and binding obligation of Guarantor, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the rights of creditors generally.
- 15. <u>Notices.</u> All notices or other communications required or permitted hereunder shall be (a) in writing and shall be deemed to be given when either (I) delivered in period, (II) three (3) days after deposit in a regularly maintained receptacle of the United States mail as registered or Certified mail, postage prepaid, (III) when received if sent by private courier service, or (IV) on the day on which Guarantor refuses delivery by mail or by private courier service, and (b) addressed as follows:

In Case of the Funds:
Collection Counsel
Pat Wallace
Laborers Pension & Welfare Fund
Sub Office
111 W Jackson Blvd
Suite 1415
Chicago IL 60604-3868

or such other addresses as may from time to time be designated by the party to be addressed by notice to the other in the manner hereinabove provided. The Funds will use their best efforts to send courtesy copies of notices provided hereunder to Guarantor's attorney,

But the failure by the Funds to send courtesy copies to Guarantor's attorney shall not limit or restrict the Funds' rights under this Guaranty in any manner nor relieve Guarantor of any obligations under this guaranty.

16. Additional Waivers. Guarantor expressly and unconditionally waives, in connection with any suit, action or proceeding brought by the Funds on this Guaranty, any and every right he or she may have to (I) injunctive relief, (II) a trial by jury, (III) interpose any counterclaim therein and (IV) seek to have the same consolidated with any other or separate suit, action or proceeding.

- 17. Severability. If all or any portion of any provision of this Guaranty is declared or found by a court of competent jurisdiction to be unenforceable or radii and void, such provision or portion thereof shall be deemed stricken and severed from this Guaranty and the remaining provisions and portions hereof shall continue in full force and effect.
- 18. Applicable Law: Venue. This Guaranty and the transactions evidenced hereby shall be construed and interpreted under the laws of the State of Illinois. Guarantor, in order to induce the Funds to accept this Guaranty and inter into the loan agreement, and for other good and valuable consideration, the receipt and sufficiency of which hereby is acknowledged, agrees that all actions or proceedings arising directly, indirectly or otherwise in connection with, out of, related to or from this Guaranty shall be litigated, at the Fund's sole discretion and election, only in courts having a situs within the county of Cook, State of Illinois, Eastern Division. Guarantor hereby waives any right he or she may have to transfer or change the venue or any litigation brought against him by the Funds on this agreement in accordance with this paragraph.
 - 19. Time is of the Essence. Time is of the essence of this Guaranty as to the performance of the undersigned.
- 20. <u>Death of a Guarantor</u>. In the event of the death of Guarantor, the Funds shall have the right to accelerate the indebtedness evidenced by the Note unless, within sixty (60) days of his death, Guarantor's estate assumes his obligations hereunder by an instrument satisfactory to the Funds and delivers to the Funds security for performance of such obligations satisfactory to the Funds.

IN WITNESS WHEREOF, the three undersigned Guarantors has executed this instrument as of the date and year first above written.

Social Security Number

Date: 1/5/02

APPROVED AS TO FORM AND SUBSTANCE
ON BEHALF OF GUARANTOR;

Dated:

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

LABORERS' PENSION FUND and)
LABORERS' WELFARE FUND OF THE)
HEALTH AND WELFARE DEPARTMENT	
OF THE CONSTRUCTION AND GENERAL)
LABORERS' DISTRICT COUNCIL OF)
CHICAGO AND VICINITY, and JAMES S.)
JORGENSEN, Administrator of the Funds,)
Plaintiffs,) Case No.: 08 C 5958
v.) Judge Kennelly
CENTRAL SUBURBAN CONTRACTING &)
MAINTENANCE, INC. an Illinois corporation,)
DENNIS VOLPE , individually, and GREGORY)
D. REED, individually,)
- -)
Defendants.)

DECLARATION OF PATRICK T. WALLACE

- I, PATRICK T. WALLACE, declare and state as follows:
- 1. I am Funds Counsel for Plaintiffs Laborers' Pension Fund and Laborers' Welfare Fund of the Health and Welfare Department of the Construction and General Laborers' District Council of Chicago and Vicinity (the "Laborers' Funds"), Plaintiffs in the above-referenced action. This Affidavit is submitted in support of the Laborers' Funds' Motion to Reinstate and Confess Judgment.
- 2. Shareholders of the law firms of Allison, Slutsky & Kennedy and the Law Offices of Marc M. Pekay, out-of-house collection counsel for the Laborers' Funds, bill the Laborers' Funds at a rate of \$200.00 per hour. Affiant, as a former associate for the law firm of Katz, Friedman, Eagle, Eisenstein & Johnson, has first-hand knowledge that the hourly rate of \$200.00 has been found reasonable and has been awarded by many courts in collection proceedings.



3. I received a Bachelor of Arts Degree from the University of Illinois at Urbana-

Champaign in 1992 and a Juris Doctor Degree from the University of DePaul College of Law in

1995. I was admitted to the bar of the State of Illinois in November 1995 and to the bar of the

United States District Court for the Northern District of Illinois in December 1995. I have also

been admitted to the bar of the United States District Court for the Central District of Illinois. I

was admitted to the Trial Bar of the Northern District of Illinois on September 20, 2000. From

November 1995 to August 2000 I practiced labor and employment law as an associate at the law

firm of Katz, Friedman, Eagle, Eisenstein & Johnson (formerly Katz, Friedman, Schur & Eagle).

In September 2000, I became Funds Counsel for the Laborers' Pension Fund and Laborers'

Welfare Fund for the Health and Welfare Department of the Construction and General Laborers'

District Council of Chicago and Vicinity.

4. Based on the foregoing, \$200.00 represents a fair and reasonable market rate for

my services to the Funds in this matter.

5. Exhibit 1 attached hereto sets forth the time expended to date by myself on this

matter. As set forth in that Exhibit, I have expended 3.0 hours totaling \$502.50 in attorneys'

fees.

I, the undersigned, certify under penalty of perjury that the foregoing is true and correct.

Date: July 10, 2009

/s/ Patrick T. Wallace

Laborers Pension and Welfare Funds 11465 Cermak Rd. Westchester, IL 60154

Invoice submitted to: Central Suburban 2

July 10, 2009

Invoice #10092

Professional Services

		Hrs/Rate	Amount
3/3/2009 PTW	Telephone conference with Dennis Volpe; Conference with J. Fosco; dictated Motion to Reinstate and Confess Judgment.	0.80 175.00/hr	140.00
3/6/2009 PTW	Edits to Motion and Affidavit of J. Fosco.	0.60 175.00/hr	105.00
PGL	Draft Order to Reinstate.	0.20 75.00/hr	15.00
3/17/2009 PTW	Telephone conference with D. Volpe.	0.10 175.00/hr	17.50
3/18/2009 PTW	Appearance before Judge Kennelly; memo to file re: same; update report; email to J. Fosco.	0.60 175.00/hr	105.00
7/8/2009 PGL	Notice of Motion; preparation of draft Order to Reinstate and Confess Judgment.	0.20 100.00/hr	20.00
PTW	Drafted Motion to Reinstate and Confess Judgment; draft Affidavit of J. Fosco.	0.50 200.00/hr	100.00
For p	rofessional services rendered	3.00	\$502.50
Balan	ce due		\$502.50



2

Timekeeper Summary

Name	Hours _	Rate	Amount
Paralegal	0.20	100.00	\$20.00
Paralegal	0.20	75.00	\$15.00
Patrick T. Wallace	0.50	200.00	\$100.00
Patrick T. Wallace	2.10	175.00	\$367.50

CERTIFICATE OF SERVICE

The undersigned certifies that he caused a copy of the foregoing Motion to Reinstate and Confess Judgment to be served upon the following persons, via U.S. Mail, this 10th day of July 2009.

Central Suburban Contracting & Maintenance Inc. c/o John R. Hubeny 200 East Chicago Ave., Ste 200 Westmont, IL 60559

Gregory D. Reed 1521 N. River Road Algonquin, IL 60102

Dennis Volpe 29W621 Vale Rd. West Chicago, IL 60185

/s/ Patrick T. Wallace