

**NOTICE OF CRITICAL STATUS
FOR
CIC-TOC PENSION PLAN**

TO: All Participants, Beneficiaries, Local Unions, Contributing Employers, Pension Benefit Guaranty Corporation and Secretary of Labor

The purpose of this notice is to inform you that on August 10, 2009 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the CIC-TOC Pension Plan (the "Plan") is in critical status for the plan year beginning June 1, 2009. Federal law requires that you receive this notice.

CRITICAL STATUS

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan is critical because, before reflecting the changes incorporated in the rehabilitation plan:

- (1) the current year unit credit normal cost plus interest on the unfunded benefit liabilities exceeds the present value of projected contributions for the current year
- (2) the present value of nonforfeitable benefits of inactive participants is greater than the present value of nonforfeitable benefits of active participants, and
- (3) the Plan is projected to have a funding deficiency for the Plan Year ending May 31, 2014 - this means that contributions coming into the Plan are not expected to be sufficient to meet minimum contribution requirements as provided by the federal government. It does not mean that the Plan does not have sufficient assets to pay current retirees.

REHABILITATION PLAN AND POSSIBILITY OF REDUCTION IN BENEFITS

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the plan determine that the benefit reductions are necessary, you will receive a separate notice identifying and explaining the effect of those reductions. *That separate notice is included with the distribution of this document.* With the exception of the rollback of the benefit increase from \$43 to \$40 for participants not retired (as described in detail on the separate notice), any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions will *not* apply to the following participants:

- **PLEASE NOTE: If you are currently retired and receiving benefits from the CIC-TOC Pension Plan, your benefits will not change, nor will you be affected by these plan revisions that are outlined in the materials.**
- Any participant or beneficiary whose benefit commencement date is on or before September 1, 2009 provided their application for benefits is received on or before August 31, 2009.
- Any active participant, defined as a participant on the payroll of a participating employer in covered employment on August 31, 2009, who submits a retirement application on or before September 30, 2009, and retires with a benefit commencement date on or before December 1, 2009.

You should also know that whether or not the plan reduces adjustable benefits in the future, effective as of August 10, 2009, the plan is not permitted to pay lump sum benefits, or benefits in the form of a level-income pension (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status.

ADJUSTABLE BENEFITS

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

1. Recent benefit increases, adopted in the last five years
2. Early retirement benefit or retirement-type subsidies;
3. Sixty-month payment guarantees;
4. Pre-retirement death benefits
5. Benefit payment options other than a qualified joint and survivor annuity (QJSA);
6. Disability benefits (if not yet in pay status);
7. Other similar benefits, rights, or features under the Plan.

Details of the rehabilitation plan are included separately with the distribution of this document. The rehabilitation plan does include reductions or eliminations of some, but not all, of the adjustable benefits listed above. Please see the detailed description of the rehabilitation plan.

EMPLOYER SURCHARGE

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the Plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status.

The surcharge ends for an employer once its collective bargaining agreement includes adoption of a benefit/contribution schedule under the rehabilitation plan. In particular, the employer surcharge will not commence for an employer if its collective bargaining agreement includes adoption of the preferred schedule under the rehabilitation plan on or before September 30, 2009.

WHERE TO GET MORE INFORMATION

For more information about this Notice, you may contact the Plan's Administrative Office at 2323 Eastlake Avenue East, Seattle, WA 98102. You have a right to receive a copy of the rehabilitation plan from the Plan.