

NOTICE OF CRITICAL STATUS

OREGON PROCESSORS SEASONAL EMPLOYEES PENSION PLAN

This is to inform you that on March 30, 2012 the plan actuary certified to the U.S. Department of the Treasury, and also to the OPSEPT Board of Trustees, that the plan is in critical status for the plan year beginning January 1, 2012. 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's actuary determined that the plan has not passed the "Emergence Test", meaning that the plan was in critical status last year and that over the next 9 years, the plan is projected to have an accumulated funding deficiency beginning with the 2013 plan year.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the third year the plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On December 2, 2010, you were notified that the Board of Trustees had decided to reduce or eliminate adjustable benefits. If the trustees of the plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reduction of adjustable benefits may apply only to participants and beneficiaries whose benefit commencement date is on or after January 1, 2011. You can get more information about the changes to adjustable benefits by requesting a copy 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. A 5% surcharge was applicable in the initial critical year (2010) and a 10% surcharge is applicable beginning January 1, 2011 and continues as long as the plan is in critical status and until such time as the collective bargaining agreements are updated to reflect the contribution increases required by the rehabilitation plan.

Where to Get More Information

For more information about this Notice, you may contact

Oregon Processors Seasonal Employees Pension Plan
c/o The William C. Earhart Company, Inc.
P.O. Box 4148
Portland, OR 97208
(503) 460-5232
1 (877) 396-1032

You have a right to receive a copy of the rehabilitation plan from the plan by submitting a request to the above address.