

WASHINGTON-IDAHO CEMENT MASONS-EMPLOYERS RETIREMENT TRUST

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WASHINGTON-IDAHO CEMENT MASONS-EMPLOYERS RETIREMENT TRUST FUND

NOTICE OF CRITICAL STATUS PENSION PLAN

September 2010

TO: PARTICIPANTS, BENEFICIARIES, CONTRIBUTING EMPLOYERS AND LOCAL UNION(S)

FROM: BOARD OF TRUSTEES OF THE WASHINGTON-IDAHO CEMENT MASONS-EMPLOYERS RETIREMENT TRUST FUND

This is to inform you that on August 27, 2010 the actuary for the Washington-Idaho Cement Masons-Employers Retirement Plan (the "Plan") certified to the U.S. Department of the Treasury, and to the Board of Trustees that the Plan is in critical status (the "red zone") for the Plan Year beginning June 1, 2010. Federal law requires that you receive this notice.

CRITICAL STATUS

The Plan is considered to be in critical status because it has funding problems. The Plan was in critical status last year and is projected to have an accumulated funding deficiency in ten years.

REHABILITATION PLAN

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The Plan was in critical status in the Plan Year because a funding deficiency was projected within five years and the normal cost plus interest on the unfunded actuarial accrued liability (unit credit basis) was greater than contributions for the Plan Year. In an effort to improve the Plan's funding situation, the Board of Trustees adopted the Rehabilitation Plan for the Washington-Idaho Cement Masons Employer Retirement Trust. The Rehabilitation Plan relates to the 10-year period beginning June 1, 2009. Generally, for deferred vested participants, the Rehabilitation Plan consists of a reduction in prospective benefit accrual rates to 1.00% of contributions; elimination of the subsidy on Early Retirement Pensions and Special Early Retirement Pensions for all future retirees; elimination of all future Disability Pension awards; elimination of all future Pre-Retirement Death Benefit lump sums; removal of the 60-month guarantee for all future retirees; elimination of all optional forms of benefits, except the Joint and 50% to Spouse Pension Benefit; and elimination of the subsidy on the Joint and 50% to Spouse Pension Benefit. For all active participants, the prospective benefit accrual rate is 2.0% of contributions and the Special Early Retirement Pension is still an option under the Rehabilitation Plan; the other benefit reductions described above apply to active participants as well as deferred vested participants. This is the third year the plan has been in critical status.

You may obtain a copy of the Plan's Rehabilitation Plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the Plan Administrator.

WHAT'S NEXT

We understand that legally required notices like this one can create concern about the Trust's future. Be assured that the Board of Trustees takes very seriously its obligation to preserve the financial viability of the Trust. With the assistance of the Trust's actuary, legal counsel and other professionals, and working with the contributing employers and the Union, the Trustees adopted a Rehabilitation Plan that addresses these issues. Contribution increases and benefit reductions were adopted to improve the Trust's serious financial condition. No further corrective actions will be adopted this year. As a final note, since the Pension Trust is influenced by economic and financial variables beyond our control (such as market volatility and changes in employment and/or the number of contributing employers), unexpected developments can affect the Trust's status and any future corrective actions needed. Each year the Board of Trustees will be reviewing the Trust's progress with its professional advisors, and which may lead to future changes in the recommended contribution and benefit schedules.

WHERE TO GET MORE INFORMATION

For more information about this notice or the Trust, contact the Administration Office at the address or phone number listed at the top of this letter. You have a right to receive a copy of the rehabilitation plan from the Plan.

Sincerely,

Board of Trustees

As required by law, this notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Department of Labor.

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