

2009 AUG -4 PM 2: 15

OREGON RETAIL EMPLOYEES PENSION TRUST NOTICE

You recently received a notice explaining that the Plan actuary certified to the U.S. Department of the Treasury and also to the Board of Trustees that the Oregon Retail Employees Pension Trust ("Fund") is in critical status for the Plan Year beginning January 1, 2009. The notice you received explained that a critical status plan must adopt a Rehabilitation Plan that is designed to restore the financial health of the plan. A rehabilitation plan can allow plans to reduce or eliminate benefits called adjustable benefits that include disability benefits (not yet in pay status), early retirement benefits or retirement-type subsidies, benefit payment options other than a qualified joint and survivor annuity, and pre-retirement death benefit subsidies. Additionally, once a plan is in critical status, the law requires that all contributing employers pay to the plan a surcharge that is generally a 5% surcharge in the initial critical year and a 10% surcharge for each succeeding plan year thereafter in which the plan is in critical status.

A new law passed in 2008 allows the Board of Trustees to freeze the Fund's status for 2009, using the actuarial certification for the 2008 plan year. The Fund was neither in critical status or endangered status (otherwise known as a green zone plan) in 2008 and therefore the Trustees have the opportunity to elect to remain in the green zone for the 2009 Plan Year and the actions described in the notice you have already received would not apply in 2009.

At a prior Board of Trustees' meeting, the Board of Trustees was unable to agree on whether to elect the extension of green zone status for the Plan Year beginning January 1, 2009. The disagreement over whether to elect green zone status for the Plan Year beginning January 1, 2009 is subject to arbitration under the terms of the Fund's Agreement and Declaration of Trust. We will advise you if an arbitrator rules that the Fund should elect the extension of green zone status. Until such time as there is a ruling by an arbitrator or the Trustees resolve their dispute by agreeing to green zone status for the 2009 Plan Year, the Fund will remain in critical status and the notice previously provided to you will continue to apply.

If the Fund is certified to be in endangered or critical status for its next Plan Year (2010), the Fund's Board of Trustees will provide you with a notice of the Fund's status (*e.g.*, endangered or critical) for that year and steps will have to be taken to improve the Fund's funded situation. These steps may include increases in employer contributions and reductions in future benefit accruals. In addition, if the Fund is certified to be in critical status for its next Plan Year, steps to improve the funding situation may also include a surcharge on employer contributions, the suspension of accelerated distributions for individuals who commence receiving benefits after notice is provided of the Fund's critical status, and amendments to reduce early retirement benefits or other adjustable benefits for such individuals.

Additional information about this election can be obtained from the plan administrator by contacting the Fund Office at 7600 S.W. Mohawk Street, Tualatin, OR 97062, Telephone Number (503) 454-3800 or (800) 654-4411.

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