

SOUTHERN NEVADA CULINARY AND BARTENDERS PENSION PLAN

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April 30, 2009

To: Participants of the Southern Nevada Culinary and Bartenders Pension Plan

From: Board of Trustees

Re: Pension Plan Notices

Enclosed are two important notices regarding your Pension Plan: (1) A **Special Notice** regarding the Plan's status under the Pension Protection Act of 2006 (the "PPA") and (2) the **Annual Funding Notice**, a new notice providing information about the Plan's finances. This letter provides a brief explanation of each of these notices and also discusses the steps we are taking to improve the Plan's financial health and ensure the security of your pension benefits during the current economic crisis.

SPECIAL NOTICE REGARDING PPA STATUS

Due to the world wide economic crisis, 2008 turned out to be a very poor year for investment performance. The Trustees want to assure you that we are working hard to keep your pension secure. Despite the 2008 investment losses, the Plan's reserves are adequate to pay all benefits to participants currently receiving a pension. If you are not currently receiving a monthly pension, any benefits you have earned to date are protected under Federal law.

Beginning in 2008, the PPA created new tests for measuring the financial health of pension plans. Under this test, a plan will generally be either: (1) Green Zone (which means that the plan is not "endangered" or "critical"), (2) Yellow Zone (or "endangered" status) or (3) Red Zone (or "critical" status). When a plan is classified in the Yellow or Red Zone, it must take steps to improve the financial health of the plan by meeting certain financial goals within a specified time period (generally, ten years).

Your Plan was certified to be in the Green Zone for 2008. Due to the downturn in the financial markets in 2008, very few plans will be certified in the Green Zone for 2009. As a result, last December, Congress passed the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA). This new law allows plans that are certified as Green Zone for 2008 to elect to "freeze" their status as Green for 2009, even if their plan would have been Yellow or Red absent the election to "freeze." We have elected this one year "freeze" of our Green Zone status, which means that the plan will be treated as "Green" for 2009. The enclosed Special Notice informs you of this decision. Please note that without this one year "freeze," the Plan would be in the Yellow Zone for 2009.

The election of the one year "zone freeze" does not mean that we can or will wait a year before addressing the current pension funding situation. The "freeze" merely provides a one-year exemption from certain statutory reporting requirements, and gives us the time to develop the best approach for dealing with the impact of the 2008 investment losses. The Trustees are currently working with the Pension Plan's advisors to develop a plan to restore the Pension Plan's financial health.

ANNUAL FUNDING NOTICE

Also enclosed is the new Annual Funding Notice for the **2008** Plan Year, which you will receive each April. This new notice is a communication required under PPA to inform participants, such as yourself, about the financial health of the Plan. We want to provide this brief guide to the contents of the Notice.

The Annual Funding Notice provides important information about your Pension Plan, including descriptions of the Trustees' funding and investment policies and the allocation of the Plan's investments as of December 31, 2008. Federal law also requires that the Annual Funding Notice include certain information that is *not* applicable to our Plan, such as a description of the rules for plans that are insolvent or are in reorganization.

Please note that some of the required information in the Annual Funding Notice is somewhat out of date, specifically (1) the Plan's funded percentage as of January 1, 2008 and (2) the Plan's PPA status for 2008. While this information is important, it does not reflect changes that have occurred as a result of the 2008 economic crisis.

Accordingly, we will provide you with additional information in the future, to keep you informed of current developments affecting your Pension Plan.

If you have any questions about these notices or any other questions about your Pension Plan, please contact the Plan Office.