

[to be retyped on Carpenters Trusts' stationery]

January 1, 2008

Subject: Pension Trust Fund Summary of Material Modifications

Dear Participants and Beneficiaries:

Since you received the printed July 1, 2006, Pension Trust Fund summary plan description booklet, and the February 23, 2007, summary of material modifications ("SMM") thereto, the Pension Plan has been amended by the Second Amendment effective February 1, 2006, and the Third Amendment effective July 1, 2007.

The changes made by the Second and Third Amendments, along with changes in the factual information in the SPD, are summarized below with references to the corresponding SPD sections. Please keep this SMM with your booklet.

DEFINITION OF TERMS—5. Eligible Employees (SPD page 1). The third paragraph of this section is revised to read as follows:

"Individuals who perform services for a participating employer pursuant to an agreement between the participating employer and an organization that leases employees, and individuals who are not treated as employees of a participating employer for payroll tax purposes (even if they are later determined to be employees), are also not eligible to participate in the Plan, unless their participation is required by a Collective Bargaining Agreement."

WHEN ARE YOU ELIGIBLE FOR A PENSION AND HOW MUCH WILL YOU RECEIVE?—Regular Pension (SPD page 9). The second subparagraph under the second paragraph of this section is revised to read as follows:

- “• ***From July 1, 2004, through June 30, 2006.*** For Contributory Hours from July 1, 2004, through June 30, 2006, 2.50 percent of the contributions required to be made for hours worked in Covered Employment. For this purpose, contributions for any Plan Year in which you failed to have at least 300 Contributory Hours are excluded, unless you earned a year of Credited Service in that Plan Year.
- “• ***On and After July 1, 2006.*** For Contributory Hours after June 30, 2006, 1.50 percent of the contributions required to be made for hours worked in Covered Employment. For this purpose, contributions for any Plan Year in which you failed to have at least 300 Contributory Hours are excluded, unless you earned a year of Credited Service in that Plan Year.”

The Example on pages 10 and 11 of the SPD is updated as follows:

“A Participant who worked 1,500 contributory hours each year for 15 years would have a monthly single life annuity benefit at age 62 of \$_____, if the Participant worked for 11 years at

the \$3.81 contribution rate and 3.85% benefit rate, 2 years at the \$_____ contribution rate and 2.50% benefit rate, and 2 years at the \$4.26 contribution rate and 1.50% benefit rate. (Each Participant's benefit will vary depending on their work history at the different contribution and benefit credit rates.)

“ 1,500 hours x \$3.81 = \$5,715 x .0385 = \$220.02 x 11 years = \$2,420.22
1,500 hours x \$___ = \$_____ x .0250 = \$___ x 2 years = \$_____
1,500 hours x \$4.26 = \$6,390 x .0150 = \$95.85 x 2 years = \$ 191.70
\$_____ (rounded to \$_____)”

WHEN ARE YOU ELIGIBLE FOR A PENSION AND HOW MUCH WILL YOU RECEIVE?—Pension Benefit Increases (SPD page 11). A new section entitled “Pension Benefit Increases” is added as follows:

“Pension Benefit Increases

“Effective July 1, 2007, the monthly benefit payable in the single life annuity form for each retired and disabled Participant and beneficiary whose pension was in pay status during June 2007 was increased for the Participant's Contributory Hours from July 1, 2004, through June 30, 2006, only, by an amount equal to 1 percent of the contributions required to be made for hours worked in Covered Employment, excluding any contributions required to be made for any Plan Year in which the Participant failed to have at least 300 Contributory Hours, unless the Participant earned a year of Credited Service in that Plan Year. The benefit increase was adjusted to reflect when the Participant retired, the benefit form option in which the pension was being paid, and any continuation percentage if the retired Participant was deceased and the pension was being paid to his or her beneficiary.”

WHEN ARE YOU ELIGIBLE FOR A PENSION AND HOW MUCH WILL YOU RECEIVE?—Early Retirement Pension (SPD page 11). The last sentence in the first paragraph of this section is revised to read as follows:

“By law, your early retirement date must be at least one day, but not more than 180 days, after you receive a notice of your right to defer receipt of your pension and an explanation of the optional benefit forms as described under ‘Applications’ below.”

WHEN ARE YOU ELIGIBLE FOR A PENSION AND HOW MUCH WILL YOU RECEIVE?—Disability Retirement—Eligibility Requirements (SPD page 14). Clause (2) of this section is revised to read as follows:

“(2) You failed to satisfy the work requirement because of a physical or mental condition for which you received a Social Security or Veterans Administration disability award or a determination of total disability based on a physician's opinion (see ‘Totally Disabled’ below), and: (i) you worked at least 300 Contributory Hours during at least one of the two consecutive Plan Years before the Plan Year in which your condition cause you to stop working; and (ii) the 300 Contributory Hours were earned no more than five years before the Plan Year in which you became totally disabled.”

WHEN ARE YOU ELIGIBLE FOR A PENSION AND HOW MUCH WILL YOU RECEIVE?—Disability Retirement—Totally Disabled (SPD page 14). The following paragraph is added at the end of this section:

“From and after July 1, 2006, if you cannot qualify for a Social Security Administration or Veterans Administration total disability award for a reason other than you not being physically totally disabled, then you may be determined to be totally disabled based on the opinion of a qualified examining physician selected by the Board of Trustees. You will be considered ‘totally disabled’ if the physician determines that you have a bodily injury, disease, or mental disorder that is permanent and continuous during the remainder of your lifetime and that renders you incapable of any regular employment or occupation substantially gainful in character.”

HOW IS YOUR PENSION PAID?—Rejection of Automatic Benefit Form (SPD page 17). The first paragraph of this section is revised to read as follows:

“You may, at any time within 180 days before your retirement date (the ‘election period’), elect in writing with your spouse’s written consent not to receive the automatic benefit form. At least 30 days but not more than 180 days before your retirement date, the Administrator will make available to you a written explanation of the terms and conditions of the automatic benefit form, your right to elect to waive the automatic benefit form, your right to elect to waive the automatic benefit form (including the effect of electing not to receive this benefit), the need for your spouse to consent to that election, and your right to revoke that election. The written explanation will also include a description of all the optional benefit forms, the eligibility conditions and other material features of each optional benefit form, a statement regarding the relative values of the benefit forms, and the dollar amount of your benefits under each benefit form. The dollar information may be specific to you or you may be given generic information using examples or reasonable estimates. If the explanation contains generic dollar information, you may request a more precise calculation of your benefits at any time after the explanation is provided. The written explanation will be made available to you by first-class mail or personal delivery. *If you do not receive that explanation, you should contact the Administrator.*”

WHAT BENEFITS ARE PAYABLE IF YOU DIE BEFORE YOU RETIRE?—Designation of Beneficiary (SPD page 19). The following sentence is added at the end of the third paragraph of this section:

“To be effective, your designation must be filed with the Administrator during your lifetime.”

The following paragraph is added between the second and third paragraphs of this section:

“If your spouse is your beneficiary and you are later divorced, that designation will be revoked unless a Qualified Domestic Relations Order (‘QDRO’) provides otherwise or you file a subsequent designation naming your former spouse as your beneficiary.”

WORKING AFTER RETIREMENT—After Age 70½ (SPD page 22). The following sentence is added at the end of this section:

“If you earn additional Benefit Units, your monthly payment will be increased each January to reflect the additional Benefit Units earned and the actuarial equivalent increase for delayed receipt of your pension.”

APPLICATIONS—Monthly Payments (SPD page 24). The first sentence in the third paragraph of this section is revised to read as follows:

“Your pension payments generally cannot start until at least 30 days after you have received the explanation of the optional benefit forms and, if you are retiring early, the notice of your right to delay receipt of your pension and the consequences of failing to defer receipt.”

APPLICATIONS—Eligible Rollover Distributions (SPD page 25). This entire section is revised to read as follows:

“Lump-sum cash-out payments to Participants or spouses (or a former spouse pursuant to a QDRO), 60-month death benefits, and lump-sum death benefits are ‘eligible rollover distributions’ under federal law. You will be notified in advance if you will receive an eligible rollover distribution from the Plan. Distributions to a Participant’s estate are not eligible rollover distributions.

“If a Participant or spouse receives an eligible rollover distribution of at least \$200, he or she may choose to have some or all of the eligible rollover distribution paid directly to a traditional IRA (individual retirement account or individual retirement annuity), a Roth IRA as explained below, or an income tax qualified defined contribution plan, a 403(b) plan, or a governmental 457(b) plan that will accept the direct rollover. The eligible rollover distribution cannot be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account (formerly known as an education IRA).

“A Participant or spouse may choose to have some or all of the eligible rollover distribution paid directly to a Roth IRA, if for the distribution year, the Participant’s or spouse’s modified adjusted gross income is not more than \$100,000 and, if married, the Participant or spouse is not filing a separate return. (The adjusted gross income limitation does not apply beginning in 2010.) If a Participant or spouse makes a direct rollover to a Roth IRA, the distribution will be taxable (but it will not be subject to the 10 percent additional tax under Internal Revenue Code Section 72(t)).

“A nonspouse beneficiary may elect to have her or his eligible rollover distribution of at least \$200 paid in a direct rollover to a traditional IRA that is established to receive the distribution. The IRA must be expressly identified as an IRA with respect to a deceased individual and must identify both the nonspouse beneficiary and the deceased Participant.

“In general, with respect to Participants and spouses, 20 percent of any portion of an eligible rollover distribution that is not paid in a direct rollover will automatically be deducted for federal income tax withholding.

“If the amount of your eligible rollover distribution is less than \$200, you may not elect to make a direct rollover. However, that distribution is not subject to the mandatory 20 percent federal income tax withholding requirement, and a Participant or spouse may make a rollover contribution of any portion of the distribution on his or her own.

“The direct rollover option is subject to the following limitations:

- “• Only one IRA or plan may be designated to receive a direct rollover.
- “• If you choose a direct rollover of less than your entire eligible rollover distribution, the amount paid in a direct rollover must equal at least \$500.

“The direct rollover option and other special rules applicable to your eligible retirement distribution will be explained to you within a reasonable time before the distribution is made.”

CLAIMS PROCEDURE—Review of Denied Claim—(3) Time Period for Decision on Review—(b) Disability Claims (SPD pages 28 and 29). Clause (iii) of this section is deleted.

ADMINISTRATIVE INFORMATION—Section 6 (SPD page 31). The addresses of Employee Trustees David Lantto and Boyd Martin have changed. Their current addresses are listed below:

“David Lantto
Local Union 1001
3427 Ash Street
North Bend, Oregon 97459

“Boyd Martin
Member Local 306
2235 S.W. 2nd Court, Unit E
Redmond, Washington 97756”

Sincerely yours,

BOARD OF TRUSTEES