

NORTHERN CALIFORNIA TILE INDUSTRY DEFINED BENEFIT PLAN

NOTICE TO PARTICIPANTS OF BENEFIT IMPROVEMENTS

The Board of Trustees is pleased to announce that this Pension Plan is in a position to be able to provide the following significant benefit improvements:

I. 2.5% INCREASE TO MONTHLY BENEFIT AMOUNT

RETIREEES

- The monthly benefits payable to participants who retired before January 1, 2008, or to the beneficiaries of such participants, shall be increased by 2.5%.

ACTIVES

- All Benefit Credits earned before January 1, 2008 by active Employees who earned at least 0.1 Year of Credited Service in 2007, and were not retired on December 31, 2007, shall be increased by 2.5%.

Please note that Participants with retirement dates during 2007 qualify for the retiree increase, but not for the increase for active Employees.

II. EXTENSION OF "RULE OF 85" EARLY RETIREMENT WINDOW

The special early retirement window has been extended through December 31, 2012.

To qualify, you must meet all of the following requirements:

- you are age 55 or older; and
- your age and your total years of Vesting Credit (including partial years) added together is at least 85; and
- you must have earned at least 3 years of Vesting Credit during the 5 years before your retirement. (If you are disabled from further employment as defined in the Plan, you must have earned at least 3 years of Vesting Credit during the 5 plan years preceding the year you became disabled.)

If you qualify, you can retire early and receive your Normal Retirement Benefit without any reduction for early retirement.

For more information, you may call the Plan administration office at (415) 986-6276.