

**To:** All Participants in the CBC Profit Sharing and 401(k) Plans  
**From:** Joe Dubeck  
**Date:** August 22, 2011  
**Re:** Upcoming Changes to our Profit Sharing and 401(k) Plans

Many of you will recall Ken Matson. He continues to share his perspective on investment strategies at annual Profit Sharing luncheons and in written inserts mailed with your quarterly Plan account statements. Our Plans' current investing structure and relationship with Ken Matson's firm, Compensation & Capital, has been in place now for over 12 years. When we introduced it in 1999, it represented a best-in-class product and has continued to serve us well. Just as CBC's customers benefit from the release of our new product lines, Compensation & Capital continually assesses advances in product offerings in the 401(k) world. Increasingly, higher quality alternatives once available only to very large plans are surfacing for plans of CBC's smaller size.

As a result of Mr. Matson's continual evaluation and the Trustees' acceptance of his recent recommendations, effective September 30<sup>th</sup> the following changes will impact ALL participants in the CBC Plans:

- Understanding and maintaining your Plan account will be enhanced (and easier too) with 100% consolidation under Compensation & Capital's recordkeeping and reporting system.
- Consistent, high-quality investment performance will be maintained by replacing the current line-up of mutual funds available through ABG with an expanded menu of funds all distributed by Vanguard.
- The Company Managed Profit Sharing Pooled Fund will be replaced by the comprehensive offering of eleven Vanguard Target Retirement™ Funds.
- Placing all participants' investments in the Plans' new all-Vanguard funds menu will provide CBC participants with the lowest possible investment management fees available to ANY company's retirement plan participants.
- Compensation & Capital's participant website is specific to CBC's plans and will provide you with one-stop access to your entire CBC plan account. It's easy to navigate and understand (much more so than ABG's.)

We (both CBC management and Compensation & Capital) will make every reasonable effort to help each CBC Plan participant understand and take advantage of these distinct improvements to our Plans' investment and reporting structure. To that end, participants who are not currently CBC employees will be availed of a cost-free phone conversation with Ken Matson to help you personalize his recommendations to your specific situation. If you would like to register for a phone appointment with Ken weekdays during the Sep 22 thru 29 period, please send Compensation & Capital an e-mail at [info@planspecs.com](mailto:info@planspecs.com) referencing CBC, your name, phone number, and requested date for the call. They will reply with suggested times.

The Trustees are excited to see these recommendations set into operation. We are even more excited to have each of you become more informed about your Plan account and opportunities we provide to make your investments work as hard as you do to secure your future. But we cannot force you to see that responsibility through. You have to make the effort to take advantage of these opportunities over the coming months and into the future. Compensation & Capital will follow-up this initial mailing with more information over the coming weeks. Stay informed and be sure to send your questions to them at [info@planspecs.com](mailto:info@planspecs.com).

## CBC Profit Sharing and 401(k) Plans – Investments and Plan Website

### Your Plans' September-October 2011 Conversion Process Made Easy

In general, you can invest your Plan account in any of the investment alternatives available in the Plan. Comprehensive information will be made available to you on the Plans' new website detailing all facets of the Plans' new investing structure including complete details on the newly available funds line-up from Vanguard and Schwab's PCRA™ (Personal Choice Retirement Account™) brokerage option. We will also guide you through any questions you have as to HOW to direct your future investments. But,

#### **IF YOU DO NOTHING:**

- **Company Managed Profit Sharing Pooled Fund:**

Any Plan account balance in the Company Managed Profit Sharing Pooled Fund will be automatically transferred to the Vanguard Target Retirement Fund appropriate to your age. See the enclosed Department of Labor – Required Qualified Default Investment Alternative – QDIA Notice briefly describing these funds. Vanguard's Target Retirement Funds are intended to apply a more appropriate investment strategy to your retirement plan account in accordance with generally accepted (by the Department of Labor, Vanguard Investments, Compensation & Capital, and the Plans' Trustees) retirement planning investment theory. The Company Managed Profit Sharing Pooled Fund has been maintained at an asset allocation of 60% stocks and 40% bonds (and money market.) The asset allocation of the Vanguard Target Retirement Fund to which your Plan account would be transferred (if you do nothing) is based upon your age and therefore could be significantly different. Be sure to read the enclosed QDIA Notice and review Vanguard's website information about Vanguard Target Retirement funds before deciding to do nothing.

- **Investments at Alliance Benefit Group (ABG):**

Any Plan account balance custodialized at ABG will be automatically "mapped" into similar "new" funds with corresponding Morningstar™ categories in the Plans' new Vanguard Funds options as follows:

| <b><u>FROM: ABG Funds</u></b>      | <b><u>TO: Vanguard Funds</u></b> | <b><u>Morningstar™ Category</u></b> |
|------------------------------------|----------------------------------|-------------------------------------|
| Morley Capital Stable Value        | Prime Money Market               | Cash Equivalents                    |
| PIMCO Total Return                 | Intermediate Term Bond Index     | Intermediate Term Bonds             |
| Vanguard Windsor II                | Equity Income                    | Large Value Stocks                  |
| Fidelity Spartan 500 Index         | 500 Index                        | Large Blend Stocks                  |
| Marsico Growth                     | Growth Index                     | Large Growth Stocks                 |
| T.Rowe Price Mid-Cap Value         | Selected Value                   | Mid-Cap Value Stocks                |
| Baron Growth                       | Mid-Cap Growth                   | Mid-Cap Growth Stocks               |
| American Funds Euro-Pacific Growth | International Growth             | Foreign Large Blend Stocks          |
| Royce Pennsylvania Mutual          | Small-Cap Index                  | Small-Cap Blend Stocks              |

Additionally, your investment directives for future contributions maintained at ABG as of Sep 30 will be mapped as noted above and used to direct the investment of your future contributions to the Plans' new funds.

#### **IF YOU WANT TO MAKE CHANGES:**

- **You will have until MidnightCT on Oct 7 to submit new directives for both existing balances and future contributions:**

Forms for investment direction, instructions for their completion, and comprehensive information on all of the Plans' new funds will be available after Sep 5 at [www.planspecs.com/cbc](http://www.planspecs.com/cbc).

**CHICAGO BLOWER CORPORATION  
PROFIT SHARING PLAN AND 401(k) ARRANGEMENT (“the Plan”)**

**[United States Department of Labor – Required “Blackout Notice”]**

**Important Notice Concerning Your Rights Under the Plan**

1. This notice is to inform you that the Plan will be changing investment options and recordkeepers effective September 30, 2011.
2. As a result of these changes, you will be temporarily unable to initiate the following normally available directives appropriate to your account in the Plan.
  - a. Obtain a loan: Sep 23 thru Oct 13 inclusive.
  - b. Obtain a distribution: Sep 23 thru Oct 13 inclusive.
  - c. Direct or diversify investments: Sep 28 thru Oct 13 inclusive.

These periods, during which you will be unable to exercise these rights otherwise available to you under the Plan, is called a “Blackout Period.” Whether or not you are planning to initiate any of these rights in the near future, you are encouraged to consider how this blackout period might impact your financial planning while it is in affect.

3. Plan participants with any portion of their Plan account custodialized at Alliance Benefit Group (ABG) will be able to access information regarding that portion of their Plan account at ABG’s internet portal [www.participantlogin.com](http://www.participantlogin.com) through Oct 2.
4. Beginning Sep 6, the Plan’s new comprehensive website, [www.planspecs.com/cbc](http://www.planspecs.com/cbc) will go active allowing Plan participants with their accounts invested in either the ABG or the Company Managed Profit Sharing Pooled Fund to access information regarding the Plan’s new investment options. However, individual personalized Plan account information will not be available on the Plan’s new website until Oct 13.
5. This Blackout Notice has been included as part of a packet of information mailed to all Plan participants 30 days prior to the initial date of the Blackout Period as required by federal labor law. The 30-day notice period is intended to allow each participant ample time to consider the appropriateness of their current Plan investments in light of their inability to diversify those investments or to request a distribution or loan during the Blackout Period. For long-term retirement security you should always give careful consideration to the importance of a well-balanced and diversified portfolio, taking into account all your assets, income and investments.
6. The materials included with this notice, in combination with the Plan’s new comprehensive proprietary website, are designed to provide all Plan participants with sufficient information to understand the conversion process details and to make judgments as to their future Plan investment directives. If, after thoroughly reviewing the enclosed materials, you have questions concerning this notice or any facet of the conversion, you should contact the new recordkeeper, Compensation & Capital Administrative Services, Inc. with an e-mail to [info@planspecs.com](mailto:info@planspecs.com). Alternatively, you may contact the Plan Administrator’s representative, Gerry Ginter, by phone at 630-858-2600.

**Chicago Blower Corporation Profit Sharing and 401(k) Arrangement**  
**Department of Labor (DoL) – Qualified Default Investment Alternative (QDIA)**  
**DoL Required Initial Employee Notice – August, 2011**

**Introduction to your Plans' QDIA:**

Chicago Blower Corporation sponsors the Profit Sharing and 401(k) Arrangement and the Production and Maintenance Employees Profit Sharing and 401(k) Arrangement ("the Plans"), two qualified retirement plans to help you attain financial security during your retirement years. As a Plan participant you decide how your retirement dollars will be invested. If you do not make an investment election, your contributions will be invested in the Plan's Qualified Default Investment Alternative (QDIA.) This QDIA Employee Notice:

1. describes when the QDIA is used;
2. provides details regarding the QDIA selected by the Plan's Trustees;
3. outlines your right to direct the investment of your Plan contributions to other investments available in the Plan or to elect not to have contributions withheld from your pay, if eligible; and
4. explains how you can obtain additional information regarding those investment alternatives.

Keep this disclosure with your Summary Plan Description and other Plan documents, statements and notices.

**When the QDIA will be used: The QDIA is utilized ONLY if you do not direct your Plan investments!**

1. Upon the conversion of Plan investments effective 9/30/2011, participants with account balances in the Company Managed Profit Sharing Pooled Fund and not directing otherwise, will have that balance automatically invested in the Plan's QDIA.
2. Future profit sharing contributions (as distinguished from employee 401(k) payroll contributions) on behalf of participants with no other direction of future contributions on file with the Plan Administrator, are subject to default direction into the QDIA.

In general, you can invest your Plan account in any of the investment alternatives available in the Plan.

**The QDIA for your Plan is: The Vanguard Target Retirement™ Funds.**

These are a set of individual mutual funds that are broadly diversified within themselves and that gradually become more conservative as your year of retirement approaches, reducing risk automatically. The current 11 funds comprising this product line are set up to simulate a "Glide Path" to retirement. That is, the funds with the most distant dates (eg. 2035 thru 2050) are structured with the most aggressive allocation to stocks - almost 90% exposure. Those with closer-in dates (eg. 2015 and 2020) adhere to more conservative allocations; stock exposure is in the 60% area for these two funds with the 2010 variant currently hosting 54% in stocks.

The "Glide Path" is relatively constant, meaning that changes occur slowly and steadily over time. For example, the stock allocation of the 2045 fund will change from 90% initially to 40% in about 2050 – a change of 50 percentage points over a period of about 45 years or by just over 1 percentage point a year on average. At the target date, the fund's equity allocation, consistent with all funds, will be comprised of 80% domestic equity (Vanguard Total Stock Market Index) and 20% international equity (Vanguard European Stock Index Fund, Vanguard Pacific Stock Index Fund, and Vanguard Emerging Markets Stock Index Fund). At the target date, fixed income portion will be 60% (Vanguard Total Bond Market Index Fund, Vanguard Inflation-Protected Securities Fund and Prime Money Market Fund).

Finally, consistent with the "Glide Path" methodology, each Target Retirement Fund merges into the Target Retirement Income Fund seven years after the target date. For example, the 2005 Target Retirement Fund will be merged into the Target Retirement Income Fund in 2012. Operating expense ratios for all the Target Retirement Funds are between 0.17% and 0.19% annually. Vanguard funds comprising the Target Retirement Funds are: Prime Money Market Fund, Total Bond Market Fund, Inflation-Protected Securities Fund, Total Stock Market Fund, European Stock Index Fund, Pacific Stock Index Fund, and Emerging Markets Stock Index Fund.

Comprehensive information on the Plan's QDIA funds including Prospectus will be available on the Plan's website [www.planspecs.com/cbc](http://www.planspecs.com/cbc) under the "Plan Investing" tab after Sep 5, 2011.

**Making Investment Elections other than the QDIA:**

You must submit instructions to the Plan Administrator at [info@planspecs.com](mailto:info@planspecs.com) via scan/e-mail or via fax to 847-433-0139 as to how you want your Plan contributions invested. You may switch from the QDIA to another investment of your choosing without penalty. There are two categories of your account balance for which you may provide investment instructions:

- Future Contributions via a *Participant's Original Deferral Agreement* form or a *Future Contributions – Deferral Rate and /or Investment Mix Change Request* form.
- Existing Account Balances via a *Vanguard Funds Existing Balance Re-Mix Request* form.

All Plan administration forms are available to pre-authorized Plan participants upon logging into the secure portion of [www.planspecs.com/cbc](http://www.planspecs.com/cbc). Contact [info@planspecs.com](mailto:info@planspecs.com) with any further questions related to the Plan.