Summary

Plan Description

Local 1116

Created-Administered

by

Area Retail Grocers of Northern Minnesota-Wisconsin

United Food & Commercial Workers Local #1116

Northern Minnesota-Wisconsin

Area Retail Clerks

Pension Fund

(5/1/04 Printing)
IMPORTANT

This Summary Plan Description is complete and up to date as of May, 2004. However, the Trustees may amend the Pension Plan from time to time. Therefore, a participant should inquire with the Fund Office periodically in order to be sure that he/she has the full text of this Summary Plan Description and any material modifications made thereto. Additionally, if a participant has any questions, he/she should make sure that he/she has the full text of the Plan Documents with any and all amendments.
NORTHERN MINNESOTA-WISCONSIN AREA
RETAIL CLERKS PENSION FUND

To All Participants:

As Trustees of the Northern Minnesota-Wisconsin Area Retail Clerks Pension Fund (the Plan) we are pleased to provide you with this updated Summary Plan Description which is effective May 1, 2004.

This Plan is a defined benefit pension plan. It was created to help provide financial security for you and your family upon your retirement, death or disability.

This booklet is a Summary Plan Description. It is intended to provide you with a summary of the important features of the Plan. A more detailed description of the Plan is provided in the Plan Document. If your particular circumstance is not covered in this Summary Plan Description or if you do not understand something in this Summary, you may request to review the Plan Document at the Fund Office or ask the Plan Administrator for a clarification.

If there is any inconsistency or conflict between the contents of this Summary Plan Description and the Plan Document, the Plan Document shall govern.

We encourage you to read this booklet carefully and keep it with your important papers for future reference. You, your beneficiaries or legal representatives may examine the Plan Document and certain other documents during regular business hours or by appointment at the Fund office. The only people authorized to answer questions concerning the Plan are the Board of Trustees and the Staff at the Fund Office. If you have any questions about the Plan, contact the Fund Office at (218) 728-8317.

The Trustees will continue to keep you advised of any changes in the Plan, as they occur. However, you can be kept up to date only if the Fund Office has your current address on record at all times. Consequently, please notify the Fund Office immediately if your address changes.

Sincerely,

Board of Trustees
NORTHERN MINNESOTA-WISCONSIN AREA RETAIL CLERKS PENSION FUND

2002 London Rd, Suite 300
Duluth, MN 55812
Telephone Local: (218) 728-4231
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ESTABLISHMENT, ADMINISTRATION
AND COST OF THE PENSION PLAN

1. The Pension Plan was established under an Agreement and Declaration of Trust dated April 15, 1966, and as thereafter amended. The Trust Agreement is between United Food and Commercial Workers Union Local 1116 and Northern Minnesota-Wisconsin Employers signatory to collective bargaining agreements with the Union.

2. The Pension Fund is administered by a Board of Trustees, which serves without any compensation and acts on behalf of you and your fellow employees in managing all aspects of the Pension Fund’s operation. This Board is made up of an equal number of union and employer representatives whose powers and duties are set forth in the Agreement and Declaration of Trust.

3. The cost of the Pension Plan is paid by participating employers who make contributions to the Pension Fund in accordance with the collective bargaining agreements with UFCW Local 1116 and other UFCW affiliated locals.

4. **No employee contributions are required or are accepted.**

5. Notify the Fund office promptly if you change your address. If the Trustees are unable to reach you at your last address on record, any benefit payments will be held without interest.
PENSION PLAN DEFINITIONS

The following definitions of terms used in the Pension Plan may be helpful in understanding the benefits which are provided and your rights.

Unions - When a reference is made to the Union, it means United Food and Commercial Workers International Union Local 1116, AFL-CIO, or other Local Unions affiliated with the United Food and Commercial Workers International Union.

Employers - If the employer you work for contributes to the Pension Fund in accordance with a written collective bargaining agreement with the Union or participation agreement with the Trustees providing for such contributions, it is an employer under the Plan.

Employees – You become a participant in the Plan when you begin employment, with an employer that is obligated to make contributions to the Plan on your behalf due to a collective bargaining or participation agreement.

Covered Employment - If you work for an employer who contributes to the Pension Fund for your work in a job covered by the written agreement, you are considered to be working in covered employment.

Credited Service - Credited Service is the period used to measure your work in covered employment in order to qualify for pension benefits and includes both past and future service.

Past Service - Credited service before an Employer makes contributions based on your hours of work in covered employment to the Fund.

Future Service - Credited service based on hours of work in covered employment for which contributions are required to be paid to the Pension Fund.

Vesting Service - Years of vesting service are earned by your credited service.

Hours of Service - Each hour of work for which an employee is paid or entitled to payment by an employer, including certain hours of back pay not in excess of 40 in any one work week. Hours of work for an employer outside of covered employment while the employer is contributing to the Plan can be counted as hours of service if such noncovered employment is continuous with (immediately before or after) covered employment.

Vested - This term is used to refer to an employee who is either working in covered employment or who has left covered employment and who is eligible to receive a nonforfeitable pension upon reaching retirement age.
Retirement - The period after you qualify for a pension under the Plan and start to receive monthly pension payments is considered retirement. To be considered in retirement, there are certain types of employment which are prohibited.

Plan Year - The Plan Year is January 1 through December 31 and is the annual period used for computing years of vesting service, pension credits, and breaks in service.

PENSION PLAN PARTICIPATION

What does it mean to be a Participant under the Plan?

A participant is an Employee who is eligible to receive pension credit in accordance with the rules of the Plan. You will only start earning pension and vesting credit after you become a participant. However, you may receive retroactive credit for service performed prior to your participation for benefit accrual.

How do I become a Participant under the Plan?

Prior to January 1, 2003 you became a participant under the Plan on the date that you had completed 375 hours of service in a 12 consecutive month period commencing with your employment date or in any calendar year after your employment commencement date.

Beginning on January 1, 2003, you will become a participant in the Plan on the first entry date after all of the following occur:

1. You complete 1,000 hours of service in a 12 consecutive month period commencing with your employment date or in any calendar year after your employment commencement date; and
2. You have obtained age 21; and
3. You are working in covered employment on the date you meet these requirements.

The entry dates for Plan participation are January 1st and July 1st.

If you are not employed on the date you would have become a participant, you will become a participant when you go back to work. If you have been a participant in the Plan, leave employment with a participating employer and then return, you will immediately become a participant again as of the date you return to work unless you were not vested at the time you left and you suffered a break in service. If you were not vested and suffered a break in service you must again satisfy the initial participation requirements as if you had never been a participant in the Plan.

When am I no longer a Participant under the Plan?

You are no longer a participant if you fail to complete 501 hours of service (375 hours of service prior to January 1, 2003) in covered employment in a calendar year. This is termed a one-year break in service and is further described in this Summary Plan Description. However, if you are vested (have earned the right to a pension) you cannot lose your status as a participant.
Can I become a Participant again?

Yes. If you had a vested pension benefit when you left covered employment, you will again become a participant on the first of the month for which contributions are received on your behalf. If you left covered employment without a vested pension benefit, and do not repair a break in service, you must satisfy the initial participation requirements (described on page 2 under the heading “How do I become a Participant under the Plan?”) to again become a participant under the Plan.
PENSION PLAN SERVICE

CREDITED SERVICE

What is Credited Service?

Credited Service is the period of service used to determine when you have earned the right to a benefit and is also used in calculating the amount of the monthly benefit. Credited Service includes both Past and Future Service and may not exceed 30 years. Credited Service is used in determining:

* Eligibility for Benefits; and
* Breaks in Service.

The rules for counting pension credit differ for work performed before the contribution period and work performed during the contribution period for which contributions are required to be made to the Fund.

MILITARY SERVICE: USERRA

Under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), you are entitled to Plan benefits for periods of military service of less than five (5) years. If you will be entering military service, you must notify both your employer and the Plan in writing on a form available from the Plan Administrator.

Upon your return. When you return from military service and are going to return to employment, you must notify the Plan. To receive credit for Plan benefits for the period you were in the military, you must return to work within certain time limits:

- If your military duty was less than 31 days, you must return to work by the next work day following discharge (with an 8 hour rest period);
- If your military duty was more than 31 days but less than 181 days, you must return to work within 14 days of discharge; or
- If your military duty was longer than 181 days, you have 90 days to return to work after discharge.

Upon return, you must also furnish the Plan with copies of your discharge papers within 14 days after returning to work. Those papers must show the date of induction, date of discharge or termination of duty, and whether the discharge was honorable or not. If you did not receive an honorable discharge, you will not be entitled to Plan credit for the period of your military service.

Determining Hours of Services to be Credited: In order to determine how may hours of service you will be credited for military service, the Plan uses a twelve (12) month look-back counting all your employment with all contributing employers, including hours for which reciprocal contributions are received by the Plan. The employer contributions
required for credit will be determined based on the average number of hours you worked during the 12 months prior to your military service. Increases in the contribution rate to the Plan specified in the agreement your employer has with the Trustees will be applied based upon hours of credit you receive for military service.

*How is Past Service counted?*

Past Service is your Credited Service before an Employer makes contributions based on your service. Past Service Credit, if any, for Employees of an Employer commencing participation after April 1, 1976, shall be determined and allowed only as set forth in a written acceptance of the Employer by the Trustees. Past Service Credit may not exceed 15 years. For years prior to January 1, 1976, Past Service will be credited in accordance with rules adopted by the Trustees and set forth in the Joinder Agreement.

*How is Future Service counted?*

Future Service is your Credited Service earned commencing with the beginning of the Plan Year in which you became a participant in the Plan. You will be credited with one year of Future Service for each Plan Year in which you complete at least 1,820 hours of service for a contributing employer. For years prior to January 1, 1979 in which you have less than 1,820 hours of service, future service will be credited in accordance with the Plan in effect in the year you earned the hour of service. For Plan Years beginning on and after January 1, 1979 and prior to January 1, 2003, in which you have at least 375 or more, but less than 1,820 hours of service, you are entitled to a fraction of a year of Future Service determined as follows:

<table>
<thead>
<tr>
<th>Hours of work in Covered Employment during Plan Credit Year</th>
<th>Partial Year of Credited Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 374 hours</td>
<td>No credit</td>
</tr>
<tr>
<td>375 - 519 hours</td>
<td>1/4 credit</td>
</tr>
<tr>
<td>520 - 779 hours</td>
<td>3/8 credit</td>
</tr>
<tr>
<td>780 - 1039 hours</td>
<td>1/2 credit</td>
</tr>
<tr>
<td>1040 - 1299 hours</td>
<td>5/8 credit</td>
</tr>
<tr>
<td>1300 - 1559 hours</td>
<td>3/4 credit</td>
</tr>
<tr>
<td>1560 - 1819 hours</td>
<td>7/8 credit</td>
</tr>
<tr>
<td>1820 hours or more hours</td>
<td>1 credit</td>
</tr>
</tbody>
</table>
For Plan Years beginning on or after January 1, 2003, in which you have at least 520 but less than 1,820 hours of service you are entitled to a fraction of a year of Future Service determined as follows:

<table>
<thead>
<tr>
<th>Hours of work in Covered Employment during Plan Credit Year</th>
<th>Partial Year of Credited Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 519 hours</td>
<td>No credit</td>
</tr>
<tr>
<td>520 - 899 hours</td>
<td>1/4 credit</td>
</tr>
<tr>
<td>900 - 1399 hours</td>
<td>1/2 credit</td>
</tr>
<tr>
<td>1400 - 1819 hours</td>
<td>3/4 credit</td>
</tr>
<tr>
<td>1820 hours or more hours</td>
<td>1 credit</td>
</tr>
</tbody>
</table>

YEARS OF VESTING SERVICE

What are the differences between Years of Credited Service and Years of Vesting Service?

Years of Vesting Services are earned only during the period contributions are made. A Participant will receive a full year of Vesting Service for each calendar year he/she is allowed at least a partial year of Credited Service.

Can Vesting Service Credit be lost or canceled?

Yes. Vesting Service Credit can be lost if a Participant is separated from covered employment for an extended period. Such cancellation is described in the following section, entitled "Break in Service".

BREAK IN SERVICE

What is a Break in Service?

A Break in Service is an absence from covered employment. A Break in Service occurs after a period of time in which an employee fails to work a specified number of hours or earn a specified amount of pension or Vesting Credit. In general, if before January 1, 1976, you had a Break in Service, all pension credits accumulated prior to the break were canceled and could not be restored.

As of January 1, 1976, the Break in Service rule is changed. There are now two types of Breaks in Service, a one-year break and a permanent break. A one-year break may be temporary and subject to repair. The effects of a permanent break are not repairable; canceled pension credits and years of Vesting Service cannot be restored.

How are Breaks in Service determined before January 1, 1976?

For any period prior to January 1, 1971, and after the contribution date, an employee had a Break in Service if he/she failed to earn credited service in any one plan year. For
any period prior to January 1, 1976, and after January 1, 1971, an employee had a Break in Service if he/she failed to earn credited services during any two consecutive plan years. The effects of such a break were permanent and canceled all pension credits earned before the break.

**How are Breaks in Service determined after December 31, 1975?**

An employee has a one-year break if he/she does not complete at least 501 hours of service in covered employment in a plan credit year.

For the period between January 1, 1976, and January 1, 1985, an employee has a permanent break if he/she has consecutive one-year breaks which are equal to or greater than his/her years of vesting service.

For example, a Participant's work record before 1985 and after January 1, 1976, looks like this:

<table>
<thead>
<tr>
<th>Year</th>
<th>Hours of Work</th>
<th>Years of Vesting Service</th>
<th>One-Year Breaks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1,200</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>1,000</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>300</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

This Participant has two consecutive one-year breaks. Because his/her consecutive one-year breaks are equal to his/her years of vesting service, he/she has a permanent break as of the end of year 4.

Beginning January 1, 1985, an employee will not have a permanent break until his/her consecutive one-year breaks equal or exceed the greater of five or the number of his/her years of vesting service.

For example, assume a Participant had the following work record:

<table>
<thead>
<tr>
<th>Year</th>
<th>Hours of Work</th>
<th>Years of Vesting Service</th>
<th>One-Year Breaks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>1,235</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>1985</td>
<td>1,182</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>1986</td>
<td>300</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>1987</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>1988</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>1989</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>1990</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>
Under the break rule which became effective January 1, 1985, this Participant will not have a permanent break in service until the end of 1990 when he/she incurs 5 consecutive one-year breaks.

Can Pension Credits and Vesting Service Lost due to a Permanent Break be restored?

No. However, a Participant can repair a one-year break or a series of one-year breaks before he/she has a permanent break in service. If following one-year breaks a Participant works at least 501 hours in covered employment during a plan credit year, all prior one-year breaks will be disregarded (provided he/she has not yet incurred a permanent break). In addition, by earning at least 501 hours of work and thereby again becoming a participant, all pension and vesting service credits previously earned will be restored.

Does a Permanent Break in Service occur if a Participant is Vested?

No. The Plan provides that a Participant cannot have a permanent break in service if he/she leaves covered employment after becoming vested.

A Participant shall be considered vested if, before incurring a permanent break, he/she has at least five (5) years of vesting service or he/she is eligible for any type of pension under this Plan.
PENSION PLAN BENEFITS

NORMAL PENSION

What is a Normal Pension?

A Normal Pension is the pension payable to an eligible active Participant who retires on or after the minimum required age.

When is a Participant eligible for a Normal Pension?

Your eligibility for normal retirement is based upon the Plan of Benefits, in effect, when the participant retires or when he/she separates from covered employment.

If you retired or separated from covered employment with Credited Service before January 1, 1996 you are eligible for normal retirement if:

1. You have attained age 62 on or after January 1, 1976; and
2. You have five (5) or more Years of Credited Service.

If you retired or separated from covered employment with Credited Service on or after January 1, 1996, but before January 1, 2001 you are eligible for normal retirement if:

1. You have attained age 55 on or after January 1, 1996; and
2. You have five (5) or more Years of Credited Service.

If you retired from covered employment with Credited Service on or after January 1, 2001 but before January 1, 2003 you are eligible for normal retirement if:

1. You have attained age 55 on or after January 1, 2001; and
2. You have five (5) or more Years of Credited Service; and
3. You were actively employed with a participating employer when you retired.

If you separated from covered employment with Credited Service on or after January 1, 2001, but before January 1, 2003 you are eligible for normal retirement if:

1. You have attained age 62 on or after January 1, 1996; and
2. You have five (5) or more Years of Credited Service.

If you retire or separate from covered employment with Credited Service in 2003 or later, you are eligible for normal retirement if:

1. You have obtained age 65; and
2. You have reached the fifth anniversary of your commencement of participation in the Plan.
How much is a Normal Pension?

The monthly amount of the Normal Pension will be based on the Plan of Benefits, in effect, when the Participant retires or, if earlier, when he/she separated from covered employment.

In general, a Participant is considered separated from covered employment when he/she has a one-year break in service. The Pension for that Participant would be based on the Plan, in effect, before the one-year break. If a year of Vesting Service is earned subsequently, he/she would generally be eligible for the Plan of Benefits in effect at the time the year of Vesting Service was earned.

Participants retiring or separating from covered employment on January 1, 1984, or thereafter, who meet the requirements for a Normal Pension, shall receive a monthly amount equal to the amount per year of service as set forth in the table on the following page based on the hourly contribution rate contributed by the Employer on the date of his/her retirement; provided, beginning January 1, 1986, where a retirement is other than Normal or Disability and the rate of contribution by the Employer has increased by more than one-third (1/3) within the thirty-six (36) months prior to the month payment of his/her Pension Benefits will begin, the amount per year of service shall be based on the rate of contribution from the Employer prior to such increase, but not counting Credited Service in excess of thirty (30) years of Credited Service resulting in the highest Pension.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.05</td>
<td>$1.90</td>
<td>$4.17</td>
<td>$2.29</td>
</tr>
<tr>
<td>0.10</td>
<td>3.20</td>
<td>8.34</td>
<td>4.59</td>
</tr>
<tr>
<td>0.15</td>
<td>4.50</td>
<td>12.51</td>
<td>6.88</td>
</tr>
<tr>
<td>0.20</td>
<td>5.80</td>
<td>16.68</td>
<td>9.17</td>
</tr>
<tr>
<td>0.25*</td>
<td>7.00</td>
<td>20.85</td>
<td>11.47</td>
</tr>
<tr>
<td>0.30</td>
<td>8.30</td>
<td>25.02</td>
<td>13.76</td>
</tr>
<tr>
<td>0.35</td>
<td>9.60</td>
<td>29.19</td>
<td>16.05</td>
</tr>
<tr>
<td>0.40</td>
<td>10.90</td>
<td>33.36</td>
<td>18.35</td>
</tr>
<tr>
<td>0.45</td>
<td>11.20</td>
<td>37.50</td>
<td>20.63</td>
</tr>
<tr>
<td>0.50</td>
<td>13.40</td>
<td>41.70</td>
<td>22.94</td>
</tr>
<tr>
<td>0.55</td>
<td>14.70</td>
<td>45.85</td>
<td>25.22</td>
</tr>
<tr>
<td>0.60 or greater</td>
<td>16.00</td>
<td>50.00</td>
<td>27.50</td>
</tr>
</tbody>
</table>

*Two Harbors Retail and CHC Credited Service earned prior to 1-1-70 is $6.00 and thereafter to 12-31-78 is $8.00.

These monthly pension rates DO NOT apply to any employees who retired or separated from covered employment for any other reason before January 1, 1986. If you have questions, contact the Fund Office.

*Past and Future Service Credits are based on the date he/she became a participant in the Plan or the date the contributing employer started contributing to the Plan in accordance with the Collective Bargaining Agreement.
Note: The Normal Pension payable will be reduced in order to provide for a Qualified Joint and Survivor Pension as described in this Plan unless the Participant and his/her spouse decide they want the Pension paid as a single-life pension.

EARLY RETIREMENT PENSION

When is a Participant eligible for an Early Retirement Pension?

He/she is eligible if:

1. he/she has attained age 50 on or after January 1, 1976, but is not eligible for a normal pension; and
2. he/she has five (5) or more Years of Credited Service.

How much is an Early Retirement Pension?

The monthly amount of the early retirement pension is based upon the Plan of Benefits in effect when the participant retires or, if earlier, when he/she separates from covered employment. The early retirement pension is determined as follows:

1. For early retirement pensions effective on or after January 1, 2003, the amount of the pension benefit depends on whether you are actively employed with a participating employer when you retire, your number of Years of Credited Service and the years you earned the Credited Service.

* If you are actively employed when you begin early retirement, Credited Service earned prior to January 1, 2003 is paid out at the normal pension amount and is reduced 5/12ths of 1% for each month you are younger than age 55 on the date your pension is to begin. Credited Service earned on or after January 1, 2003 is paid out at the normal pension amount and is reduced 5/12ths of 1% for each month you are younger than age 65 on the date your pension is to begin, unless you qualify for a thirty (30) year pension as described below. If you qualify for a thirty (30) year pension, Credited Service earned on or after January 1, 2003 is paid out at the normal pension amount beginning at age 55 without a reduction. You will qualify for a thirty (30) year pension if:

   1. You have thirty (30) years of credited service;
   2. You have obtained age 55 on or after January 1, 2003; and
   3. You are actively employed with a participating employer when you retire.

* If you are not actively employed when you begin early retirement, Credited Service earned prior to January 1, 2001 is paid out at the normal pension amount and is reduced 5/12ths of 1% for each month you are younger than age 55 on the date your pension is to begin. Credited Service earned on or after January 1, 2001 and before January 1, 2003 is paid out at the normal pension amount and is reduced 5/12ths of 1% for each month you are younger than age 62 on the date that your pension is to begin. Credited Service earned on or after January 1, 2003 is paid out at the normal pension
amount and is reduced 5/12ths of 1% for each month you are younger than age 65 on the date your pension is to begin.

2. For early retirement pensions effective on or after January 1, 2001 and before January 1, 2003, the amount of the pension benefit depends on whether you were eligible for normal pension at age 55 at the time you began early retirement. See page 9 under NORMAL PENSION (as supplemented by this document) to determine whether you were eligible for a normal pension at age 55.

* If you were eligible for a normal pension at age 55, the normal amount payable at age 55 is reduced 5/12ths of 1% for each month you are younger than age 55 on the date your pension is to begin.

* If you were not eligible for a normal pension at age 55 then the amount of your pension depends on your number of years of Creditsed Service you have earned and the calendar years that you earned the Creditsed Service. Creditsed Service earned prior to January 1, 2001 is paid out at the normal pension amount and is reduced 5/12ths of 1% for each month you are younger than age 55 on the date your pension is to begin. Creditsed Service earned in 2001 or later is paid out at the normal pension amount and is reduced 5/12ths of 1% for each month you are younger than age 62 on the date your pension is to begin.

3. For early retirement pensions effective on or after January 1, 1996 and before January 1, 2001 or for participants who separated from covered employment on or after January 1, 1996 but before January 1, 2001, the normal pension amount payable at age 55 is reduced 5/12ths of 1% for each month you are younger than age 55 on the date your pension is to begin.

4. For early retirement pensions effective prior to January 1, 1996 or for participants who separate from covered employment and are vested prior to January 1, 1996, the normal amount payable at age 62 is reduced 5/12ths of 1% for each month you are younger than age 62 on the date your pension is to begin.

**DISABILITY PENSION**

Effective January 1, 2003, the Fund will no longer provide disability pensions to participants that become totally disabled. Participants with a vested pension benefit who become disabled on or after January 1, 2003 are entitled to receive only a normal or early retirement benefit as described elsewhere in this Summary Plan Description.
PENSION PLAN SURVIVOR BENEFITS

Survivor Benefits After Retirement

What is the Qualified Joint and Survivor Annuity (QJSA)?

Effective January 1, 1976, as required by ERISA, if a Participant is married when he/she retires, his/her pension benefit is automatically payable in the form of a Qualified Joint and Survivor Pension, unless he/she and his/her spouse reject this form of payment before his/her pension begins. The QJSA Pension provides that, upon the death of a pensioner, 50% of his/her monthly benefit will be paid to his/her surviving spouse for life. To provide this guaranteed benefit, the amount of the monthly benefit payable to the pensioner is reduced. The reduction factors are based on the ages of both the Participant and the Spouse.

How is the Qualified Joint and Survivor Annuity Pension Calculated?

Because the QJSA Pension guarantees retirement benefit to two people for two lifetimes (the husband's and the wife's), this means that more monthly benefit checks may be paid out than would be the case if only one lifetime were covered. Spreading the available money over more monthly benefit payments requires a reduction in the monthly benefit a pensioner is paid. The monthly amount of a QJSA Pension is, therefore, calculated as single-life based on the age of the pensioner and the resulting amount is then reduced depending on the difference in ages between the pensioner and his/her spouse.

Here is an example of how the amount of a single-life pension would be reduced when a QJSA Pension is payable. (A single-life pension is the non-reduced pension form payable to single employees and married employees who reject the QJSA Pension Form.)

For example, if you retire at age 62 and are eligible for a Normal Pension of $650.00 and your spouse is age 60, your monthly benefit under the Husband and Wife Pension is determined by reducing the Normal Pension by a factor based on your age and the age of your spouse. In this case, the actuarial factor is .9118%. Therefore, your QJSA Pension would be $592.67. This amount is payable to you for your lifetime. If your spouse is living at the time of your death, he/she will receive a monthly benefit of half of this amount, or $296.34, for the remainder of his/her lifetime.

When and how can a Participant make a decision about having his/her Pension paid in the QJSA form?

When he/she applies for his/her pension, the Fund Office will calculate the amount of his/her pension as described above, and also as an unreduced (single-life) benefit. This will give him/her and the spouse a comparison of the benefits available to them. They will have a period of 90 days to make their decision. Remember a Participant's pension will automatically be paid in the QJSA form unless rejected by him/her and the spouse in writing and signed before a Notary Public.
What if a Participant’s Spouse dies before he/she does after his/her Pension begins?

If, after retirement, your spouse dies before you do or you and your spouse are divorced, the QJSA Pension form cannot be changed. You will continue to receive the reduced benefit amount and, upon your death, no further payments will be made to anyone except to the extent payments are required pursuant to a Qualified Domestic Relations Order.

What if a Participant’s Spouse dies before his/her Pension begins?

The QJSA Pension will not be effective if your spouse dies, or you get a divorce, before your pension begins. In addition, for the QJSA Pension to be effective, you must have been married throughout the year immediately preceding the date your pension begins.

SURVIVOR BENEFITS BEFORE RETIREMENT

Are there Death Benefits for Participants who die before Retiring?

A Participant may be eligible for one of the two pre-retirement death benefits provided by the Plan.

1) The Plan provides for a lifetime monthly pension benefit payable to a surviving spouse if, upon your death, you were in active covered employment and eligible by virtue of age and service to a pension had you retired the date before your death, or you had separated from covered employment at a time when you had met all requirements for the immediate payment of a pension by virtue of age and service, and you died prior to retiring with a pension and after age 50.

The amount of the surviving spouse benefit is 50% of the pension you would have received if you had retired the day before your death with a QJSA Pension. The monthly benefit is payable the first of the month following the death of Participant.

2) The Plan also provides for a lifetime monthly benefit to a surviving spouse of a Participant who does not qualify under (1) above, but has achieved vested status, is actively engaged in covered employment, and died on or before age 50. The amount of the surviving spouse benefit is 50% of the pension you would have received if you had separated from service on the date of death, survived to age 50, retired with an immediate QJSA Pension, and died the day after age 50. This monthly benefit is payable beginning the first of the month in which the Participant would have reached age 50.

For the QJSA Pension payable to a surviving spouse to be effective, a participant must be married the entire year immediately preceding the death of the Participant.
PENSION APPLICATION PROCESS

How do I get a Pension Application?

You can receive a pension application by writing, calling, or visiting the Fund Office at:

Northern Minnesota-Wisconsin Area Retail Clerks Pension Fund
2002 London Rd Ste 300
Duluth MN 55812
Telephone (218) 728-4231 Toll Free (800) 570-1012

If you need help in filling out your pension application, the staff at the Fund Office will assist you.

When should I apply for my Pension?

You should file your application with the Trustees at the address of the Fund Office at least three months in advance of the date you expect your pension benefit to begin. If you delay in filing your application, the payment of your pension may be delayed.

Must proof of age be submitted with the Pension Application?

Yes. Instructions describing the types of acceptable proof of age will be given to you with your application. If you want your pension paid as a Husband and Wife, you will be asked to submit proof of your spouse’s age and proof of your marriage.

Who will decide if I am eligible for a Pension?

The Board of Trustees who are bound by the rules of the Pension Plan will decide if you meet the eligibility requirements for a pension. The Trustees are the sole judges in reviewing the documents you submit with your application and in interpreting the Plan rules.

How does a Surviving Spouse or Beneficiary file for benefits?

As soon as possible after the death of the Participant or pensioner, the Fund Office should be contacted to request instructions about filing an application for the appropriate survivor benefits. A copy of the Participant’s or pensioner’s death certificate will be requested.

How will I know if my Pension Application is Denied?

If your application for a pension is denied, you will be informed in writing of the denial. You will also be told the reasons for the denial and the way in which you can appeal the decision. You may also appeal the decision if you feel your pension award is incorrect.
When must I make my Appeal?

If you want to appeal the decision, you must file a written request with the Trustees at the Fund Office within 60 days of your notice of denial. Your request for review of your claim must state your reasons why you believe you are entitled to benefits. You will also have the right to examine all Plan documents and other Fund Office records which affect your claim. You will have the right to argue against the denial in writing and to meet with the Trustees at a time and place designated by the Trustees to discuss your claim and submit any evidence as you may desire. You also have the right to be represented by an attorney or other person of your choice. (You will have to pay the fee of your attorney or other representative.)
RETIREMENT AND SUSPENSION OF BENEFITS

What does retirement mean?

To be considered retired, you must not work more than 40 hours in a month in plan-related employment. Plan-related employment is work: (1) in the same industry as employees covered by the plan were employed in at the time payment of your benefits began; (2) in a trade or craft covered by a collective bargaining agreement requiring contributions to the Fund, including but not limited to employment in retail, nursing homes and hospitals; and (3) in the geographical jurisdiction of the Union. Note: It makes no difference whether, for the purposes of determining plan-related employment, you are employed under a collective bargaining agreement.

Can I work at some other type of job after Retirement?

Yes. You may do any other kind of work provided it is not the type described above and you will continue to receive your monthly pension checks as usual. If you are not sure whether or not a job you are considering will be disqualifying, check with the Fund Office.

Does my Pension stop if I return to Disqualifying Employment?

Yes. If you return to such work your monthly benefit will be suspended if you work 40 hours or more a month.

Must I provide the Fund notice of my return to employment?

Yes. You must notify the Fund Office of your return to work within 30 days of the date you return. If you return to work and fail to provide timely notice of employment, a portion of your benefit may be withheld when you resume your benefit payments in order that the Fund may recover any benefits paid to you while you were working in disqualifying employment without providing notice to the Fund.

If the Board of Trustees learns that you have worked in disqualifying employment without providing proper notice, it will be presumed that you have been working at least 40 hours per month since your return to work. This may affect the amount of your benefit when you again retire. You will have the right to overcome this presumption by establishing the actual facts.

May I request a review of the Suspension of my Benefits?

Yes. You are entitled to a review of any determination suspending your benefits. You may file a written request for review with the Board of Trustees within 60 days of the notice of suspension at the Fund Office. In this manner, you may also request that the Board of Trustees review any contemplated employment to determine whether it will be disqualifying.
QUALIFIED DOMESTIC RELATIONS ORDERS

What are the rights of former Spouses?

Federal law provides that in the event of divorce, your former spouse may have a right to receive some portion of your retirement benefits directly from the Fund. In connection with a divorce or property settlement agreement, a court may direct that a portion of your retirement benefit be paid to your former spouse. The Fund will recognize such a court order and make direct payments to your former spouse, only if it is a "Qualified Domestic Relations Order" (QDRO) pursuant to federal law. The Fund has written procedures for notifying you of the receipt of a court order affecting your benefits and for determining if the court order is a "QDRO".
GENERAL QUESTIONS AND ANSWERS

If I owe money, can I sign over my rights to my Pension?

No. Except in the case of a Qualified Domestic Relations Order no person can make an assignment, a pledge, or in any way dispose of his/her pension payments. Any attempt to do so is void and of no affect. This is done for your protection. To the extent permitted by law, pension payments are not subject to garnishment or attachment.

Can an employee receive a refund of the money paid to the Pension Fund on his/her behalf by his/her employers?

No. There shall be no refund of contributions.

Must I retire when I reach a particular age?

No. Retirement under this Pension Plan is voluntary.

Will I receive Pension Credits if I continue to work after age 62?

Yes. You will receive pension credits as long as you work in covered employment.

Can I receive Social Security benefits in addition to those provided by this Plan?

Yes. Social Security Benefits paid by the Social Security Administration are independent of this Plan. You should file for any benefits you are entitled to receive from Social Security.
IMPORTANT PLAN INFORMATION

The following information provides important facts about the Plan which you should know.

PLAN NAME:

This Plan is known as the Northern Minnesota-Wisconsin Area Retail Clerks Pension Fund.

PLAN ADMINISTRATION:

A Board of Trustees is responsible for the operation of this Plan. The Board of Trustees consists of an equal number of Employer and Union representatives selected by the Employers and Union respectively, which have entered into collective bargaining agreements which require contributions to this Plan. If you wish to contact the Board of Trustees, you may use the address and phone number below.

BOARD OF TRUSTEES
Northern Minnesota-Wisconsin Area Retail Clerks Pension Fund
2002 London Rd
Suite 300
Duluth MN 55812
Telephone: (218)728-4231 Toll Free (800)570-1012

The Board of Trustees is both the Plan Sponsor and Plan Administrator. As of May 1, 2004, the Trustees of this Plan are:

UNION TRUSTEES

Joyce Berglund
UFCW Local 1116
2002 London Road
Second Floor
Duluth, MN 55812

Tom Cvar
UFCW Local 1116
2002 London Road
Second Floor
Duluth, MN 55812

EMPLOYER TRUSTEES

Boyd Hanson
Miners Inc.
5065 Miller Trunk Highway
Hermantown MN 55811

Mark Schneider
Rider Bennett Egan & Arundel
333 South Seventh Street
Suite 2000
Minneapolis, MN 55402
PLAN NUMBER: The number assigned to the Plan by the Board of Trustees pursuant to instruction of the Internal Revenue Service is 001.

EMPLOYER IDENTIFICATION NUMBER:

The Employer Identification Number (EIN) assigned to the Board of Trustees by the Internal Revenue Service is 41-6055635.

SERVICE OF LEGAL PROCESS:

Victoria Peterson, Wilson-McShane Corporation, is the Plan's agent for service of legal process. Accordingly, if legal disputes involving the Plan arise, any legal documents should be served upon Ms. Hansen or upon any of the Trustees.

Collective Bargaining Agreements: This Plan is maintained pursuant to collective bargaining agreements between the Employers and the Union. All collective bargaining agreements are available from the Fund Office upon written request and are available for examination by participants and beneficiaries. In addition, participants and beneficiaries may receive from the Fund Office, upon written request, information (including a sponsor's address) as to whether a particular employer or employee organization is a sponsor of the Plan.

Source of Contribution: The benefits described in this booklet are provided through employer contributions. The amount of employer contributions and the employees on whose behalf contributions are made are determined by the provisions of the collective bargaining agreements.

Pension Trust's Assets and Reserves: All assets are held in trust by the Board of Trustees for the purpose of providing benefits to eligible participants and defraying reasonable administrative expenses.

Plan Year: The records of the Plan are kept separately for each Plan Year. The Plan Credit year is the calendar year which begins on January 1 and ends on December 31. The Plan's fiscal year is also a calendar year, which is the period for which various governmental reports are filed.

Type of Plan: The Plan is a defined benefit plan maintained for the purpose of providing retirement benefits to eligible participants.
Eligibility and Benefits: The types of benefits provided and the Plan's requirements with respect to eligibility as well as circumstances that may result in disqualification, ineligibility, or denial or loss of any benefits as generally described in this booklet are contained in the Plan Document available at the Fund Office.
PENSION BENEFIT GUARANTEE CORPORATION

Your pension benefits under this multiemployer plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC’s guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant’s years of service multiplied by (1) 100% of the first $5 of the monthly benefit accrual rate and (2) 75% of the next $15. The PBGC’s maximum guarantee limit is $16.25 per month times a participant’s years of services. For example, the maximum annual guarantee for a retiree with 30 years of services would be $5,850.

The PBGC guarantee generally covers: (1) Normal and early retirement benefits; (2) disability benefits if you become disabled before the Plan becomes insolvent; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) Benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on Plan provisions that have been in place for fewer than 5 years at the earlier of: (i) The date the plan terminates or (ii) the time the plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the plan becomes insolvent; and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact the PBGC’s Technical Assistance Division, 1200 K Street NW, Suite 930, Washington DC 20005-4026 or call 202-326-4000 (not a toll free number). TTY/TTD users may call the federal relay service toll free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC’s pension insurance program is available through the PBGC’s web site on the Internet at http://www.pbgc.gov.
YOUR RIGHTS UNDER ERISA

As a Participant in the Northern Minnesota-Wisconsin Area Retail Clerks Pension Fund, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants are entitled to:

Receive Information about Your Plan and Benefits.

- Examine, without charge, at the Fund office and at other specified locations, such as work sites and union halls, all documents governing the Plan, including insurance contracts, collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

- Obtain, upon written request to the Fund Office, copies of documents governing operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Fund Office may make a reasonable charge for the copies.

- Receive a summary of the Plan's annual financial report. The Fund Office is required by law to furnish each Participant with a copy of this summary annual report.

- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

- In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries.

- No one including your employer, your union or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.
Enforce Your Rights

- If your claim for a pension benefit is denied in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and appeal any denial, all within certain time schedules.

- Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Fund Office to provide the material and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Fund Office.

- If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a State or Federal court. In addition, if you disagree with the Plan’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court.

- If it should happen that Plan fiduciaries misuse the Plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court, may order you to pay the costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

- If you have any questions about your plan, you should contact the Fund Office. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publication’s hotline of the Pension and Welfare Benefits Administration.
Claim Denial

- If your claim for a pension benefit is denied, in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the plan review and reconsider your claim. Appeal procedures for your claim are outlined elsewhere in this Summary Plan Description. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request appropriate materials from the plan and do not receive them within 30 days, you may file suit in federal court. In such a case, the court may require the Plan Administrator to provide the material and pay you up to $100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.

- The court will decide who shall pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim frivolous. If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the Pension Welfare Benefits Administration, U.S. Department of Labor.

NOTICE: Because this booklet is a "Summary Plan Description", it does not, and is not required under Department of Labor regulation, to contain an explanation of each and every provision or term contained in the more comprehensive "Plan Document". If your particular circumstances are not described, or you do not understand something in this Summary, a copy of the complete Plan Document is available for review at the Fund Office. If, after review of the Plan Document you still have a problem, please contact the Plan Administrator.
IMPORTANT NOTICE TO PLAN PARTICIPANTS

Summary of Material Modifications to the
NORTHERN MINNESOTA-WISCONSIN RETAIL CLERKS PENSION PLAN
(Fourth Restatement)

The Board of Trustees has amended the Plan. Here is a summary of the changes.

RETROACTIVE ANNUITY STARTING DATE ("RASD") (Effective January 1, 2004)

The Plan’s retirement application package includes an application form and an explanation of the Plan’s Joint and Survivor Benefit. The application form lets you elect a starting date for your retirement benefits. In a few situations, you may (but are not required) to elect a starting date for your retirement benefits that falls before the date you received the application package. That kind of starting date is known as a "Retroactive Annuity Starting Date", or RASD.

You can generally elect an RASD if you passed the legal deadline for the latest start of plan benefits (which is shortly after you reach 70½ and is known as your "required beginning date"), but the Plan did not start paying benefits because the Plan could not find you. In that case, the RASD you pick must be a date on or after your required beginning date.

Other restrictions apply. The RASD you pick cannot be earlier than the date you became eligible to retire. Also, you must get formal spousal consent, if you are married.

If you meet all the requirements, and your application and RASD election are approved, you will receive a single lump sum payment to make up for the monthly payment or payments you “missed” since the RASD. The lump sum payment will include an appropriate adjustment for interest. The dollar amount of the future monthly payments will be the same as if they actually began on the RASD.

If you do not meet all the requirements (or if you do not ask for an RASD at all), you will not receive any such make-up lump sum payment. Rather, delays between the time you became eligible to retire and the time you began receiving it will be accounted for by an actuarial increase to the monthly benefit.

Before the amendment, the Plan did not provide an RASD election.

REQUIRED MINIMUM DISTRIBUTIONS

The Plan is subject to the IRS’s highly technical "minimum distribution" rules. Generally speaking, those rules require you to take distribution of all of your retirement benefits over your life expectancy or the joint life expectancy of you and your beneficiary. Distributions must start no later than when you reach age 70½ or, if later, terminate employment.

Before the amendment, the Plan contained the same "minimum distribution" rules but stated them in less detail than the IRS now requires.

Please call the Plan Administrator if you have questions about the Plan.

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IMPORTANT NOTICE TO PLAN PARTICIPANTS

Summary of Material Modifications
to the
NORTHERN MINNESOTA-WISCONSIN RETAIL CLERKS PENSION PLAN
(Fourth Restatement)

The Board of Trustees has amended the Plan. Here is a summary of the changes.

NEW BENEFIT ACCRUAL FORMULA (Effective January 1, 2006)

Effective January 1, 2006, your benefits under the Plan will be calculated differently. After that date, you will earn a monthly Normal Pension benefit equal to 1.75% multiplied by the amount of employer contributions made to the Plan for work you have performed after January 1, 2006.

For Example: Assume you first became a participant in the Plan due to Covered Employment beginning on January 1, 2006. You worked ten years and had a total of $20,000 in employer contributions made on your behalf. At Normal Retirement Age, your monthly benefit would be equal to 1.75% x $20,000, or $350 per month.

Many Participants in the Plan will have earned benefits for work prior to January 1, 2006. Their Normal Pension amounts will have two parts: first, those benefits earned under the old formula before January 1, 2006, and second, benefits earned on or after January 1, 2006 under the new formula. Those two parts will be added together to form the total benefit.

For Example: Assume you worked the ten years described in the example above. However, prior to 2006 you had also worked a number of years and had earned a monthly Normal Pension benefit of $300. Your total benefit at Normal Retirement Age will be $300 (earned prior to 2006) plus $350 (earned after 2005), or a total of $650 per month.

Benefits will be accrued beyond the previous 30 year limitation.

For Example: Assume you have worked for a participating Employer for 31 years. Prior to January 1, 2006, the Plan only allowed maximum benefit accruals up to 30 years of service, anything earned beyond that would not be applied to your accrued benefit. Effective January 1, 2006, you will be credited with employer contributions and your monthly benefit would increase based on the contributions made and number of hours worked.

Before this amendment, the Plan provided only a single formula for calculating Normal Pension benefits.

Please call the Plan Administrator if you have questions about the Plan.
December 16, 2009

IMPORTANT 204(h) NOTICE TO PLAN PARTICIPANTS AND BENEFICIARIES

Summary of Material Modifications to the
NORTHERN MINNESOTA-WISCONSIN AREA RETAIL CLERKS PENSION PLAN

The Internal Revenue Service recently announced a change in the Internal Revenue Regulations affecting the definition of “normal retirement age” under pension plans such as the Northern-Minnesota-Wisconsin Area Retail Clerks Pension Plan. These regulations require that pension plans that have a normal retirement age that the IRS deems to be too low be amended to increase the normal retirement age. These regulations are complicated, but in essence, the IRS disapproves of normal retirement ages lower than 62.

The Plan’s Normal Retirement Age was increased to 65 in 2003, but before that it was as low as 55. The amendment is designed to bring the Plan into compliance with the Regulations. It has two effects:

First, the Normal Retirement Age will be increased to 65, and

Second, ages younger than 65 that were defined as Normal Retirement Age before will now be re-defined Early Retirement Age. This means that benefits that were previously available as Normal Retirement benefits at ages lower than 65 will be preserved as Early Retirement benefits. No benefits are being reduced or eliminated. Benefits previously available as Normal Retirement benefits will simply now be called Early Retirement benefits instead of Normal Retirement benefits.

Here is a summary of the changes.

1. **Change to Normal Retirement Age** – Normal Retirement Age will be re-defined as the later of age 65 or the Participant’s fifth anniversary of participation in the Plan. This is the same definition that has been in effect since January 1, 2003. All younger ages previously defined as Normal Retirement Age are eliminated.

2. **Changes to Early Retirement Benefits** – The current Plan provision regarding Early Retirement which permits Participants who are at least age 50 and who have accumulated at least 5 Years of Credited Service to elect Early Retirement will be continued. Under this form of Early Retirement, the amount of the benefit is reduced by 5/12ths of 1% for each month that the Participant retires before Normal Retirement Age. For this purpose, the age from which the reduction is calculated will be the Normal Retirement Age that was in effect when you accrued the Credited Service on which the benefit is calculated (if that age was lower than the new Normal Retirement Age of 65).

(over)
In addition, a Participant is eligible for Early Retirement without a reduction in benefit for retirements as follows:

a. At age 55 or higher with 5 or more Years of Credited Service, if the Participant retired on or after January 1, 1996 and on or before December 31, 2000,

b. At age 55 or higher with 5 or more Years of Credited Service, if the Participant retired on or after January 1, 2001 and on or before December 31, 2002, provided the Participant retired directly from active employment with a participating Employer, or At age 62 or higher with 5 or more Years of Credited Service, if the Participant retired on or after January 1, 2001 and on or before December 31, 2002, if the Participant did not retire directly from active employment with a participating Employer.

c. At age 55 or higher with 30 or more Years of Credited Service, if the Participant retired on or after January 1, 2003, provided the Participant retired directly from active employment with a participating Employer.

Except for these changes, the Plan will operate just as it does now.

**Note – the effect of the amendment is to bring the Plan into compliance with the new IRS Regulations. No benefits are being reduced or eliminated.**

If you have questions, you may contact the Plan Administrator, Wilson-McShane Corporation, 2002 London Road, Suite 300, Duluth, Minnesota 55812; telephone 218-728-4231 or 877-752-3863.
IMPORTANT NOTICE AND SUMMARY OF MATERIAL MODIFICATIONS TO THE NORTHERN MINNESOTA-WISCONSIN AREA RETAIL CLERKS PENSION PLAN

The Board of Trustees of the Northern Minnesota-Wisconsin Area Retail Clerks Pension Plan (the “Plan”) are committed to assuring the security of your pension benefits. In light of this commitment and applicable Federal law, it has become necessary to make changes to the Plan as of January 1, 2011. This notice describes the changes that will be made and is intended to allow you to plan for the changes that will be made.

This Notice is being provided for your information and to satisfy the requirements of I.R.C. § 432 and ERISA §§ 104(b) and 204(h). The Plan is governed by the Employee Retirement Income Security Act (ERISA). ERISA provides certain rights and remedies to pension plan participants. These rights and remedies are explained in your Summary Plan Description. To learn more about the rights and remedies that may be available to you, contact the Department of Labor at 1-866-487-2365 or visit www.dol.gov.

The Pension Protection Act of 2006 (the “PPA”) is intended to maintain the long-term stability of pension plans. The PPA requires pension plans to annually certify their funding status. If a plan’s future pension benefits are significantly underfunded, the Plan must adopt a “rehabilitation plan.” A rehabilitation plan must reduce pension benefits and increase pension plan contributions in order to ensure that future pension benefits are sufficiently funded. Therefore, although a rehabilitation plan reduces your pension benefits, it helps to ensure the Plan’s financial stability so that your pension benefits will be available to you when you retire.

On March 30, 2010, the Plan was certified to be in critical status for the 2010 Plan year and therefore was required by law to adopt a rehabilitation plan. As part of the rehabilitation plan, the Trustees have presented the collective bargaining parties that participate in the Plan with a “Default Schedule” and a “Preferred Schedule” which include different combinations of benefit changes and contribution rate increases intended to restore the security of the Plan.

The collective bargaining agreement under which you work has not yet adopted either the Default Schedule or the Preferred Schedule. Until one of these schedules is adopted, your benefits will follow the Preferred Schedule. The changes described in the Preferred Schedule will be effective January 1, 2011. If your collective bargaining agreement adopts the Default Schedule, the Default Schedule will apply retroactively to January 1, 2011, and your benefits will be determined under the Default Schedule. If the Default Schedule is adopted you will receive an additional notice describing the benefits that apply to you.

If you are currently retired, or if you retire and apply for payment of benefits before January 1, 2011 and commence benefits no later than January 1, 2011, the changes described in this notice do not apply to you and your benefits will continue to be determined under the current plan rules. If you decide to return to work for an employer that contributes to the Plan, the additional benefits you earn will be determined based upon the Schedule applicable to that employer. In this situation, you should contact the Plan Office.

If you do not work for an employer that is required to make contributions to the Plan on your behalf as of January 1, 2011 and you do not retire and apply for payment of benefits until after December 31, 2010 or do not commence benefits until after January 1, 2011, your benefits, if any, will be determined under the Preferred Schedule. For example, if your former employer contributed to the plan on your behalf but you are no longer employed by that employer or any other employer that must contribute to the Plan, then your benefits will be determined under the Preferred Schedule. This will be true even if the collective bargaining
agreement you used to work under adopts the Default Schedule. If in the future you return to work for an employer that contributes to the Plan, the additional benefits you earn will be determined based upon the Schedule applicable to that employer. In this situation, you should contact the Plan Office.

**Benefit Changes Effective January 1, 2011**

Under the Preferred Schedule the following changes to pension benefits will be effective January 1, 2011:

1. The multiplier for contributions made on your behalf for work on or after January 1, 2011 is reduced from 1.75 percent to 1.00 percent. Benefits earned before January 1, 2011 are not affected by this change.
2. The Special Early Pension Benefit is eliminated, and Early Pension Benefits are subject to an actuarial equivalent reduction, regardless of when the benefits were earned.

In addition, employer contributions to the Plan will be increased upon adoption of the Preferred Schedule through a collective bargaining agreement. The required contribution rate increases will not count toward additional benefits.

Each of these changes is explained more fully below.

**Reduced Multiplier for Contributions Made on Your Behalf**

Under the Preferred Schedule the multiplier for contributions made on or after January 1, 2011 on your behalf is reduced from 1.75 percent to 1.00 percent. This change does not affect the Normal Pension Benefits that you earned prior to January 1, 2011.

Prior to this change the Normal Pension Benefit was calculated in the following way:

<table>
<thead>
<tr>
<th>Period in Which the Benefits Were Earned</th>
<th>Monthly Normal Pension Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before January 1, 2006</td>
<td>A set dollar amount based upon the amount of the hourly contribution made to the Plan on your behalf</td>
</tr>
<tr>
<td>January 1, 2006 – December 31, 2010</td>
<td>1.75% of the non-forfeited contributions made to the Plan on your behalf</td>
</tr>
</tbody>
</table>

Beginning January 1, 2011, the Normal Pension Benefit will be calculated in the following way:

<table>
<thead>
<tr>
<th>Period in Which the Benefits Were Earned</th>
<th>Monthly Normal Pension Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before January 1, 2006</td>
<td>A set dollar amount based upon the amount of the hourly contribution made to the Plan on your behalf</td>
</tr>
<tr>
<td>January 1, 2006 – December 31, 2010</td>
<td>1.75% of the non-forfeited contributions made to the Plan on your behalf</td>
</tr>
<tr>
<td>On or after January 1, 2010</td>
<td>1.00% of the non-forfeited contributions made to the Plan on your behalf</td>
</tr>
</tbody>
</table>

The additional contributions that are made on your behalf as a result of the increased employer contribution rates discussed below will not count toward additional benefits.
The following example illustrates how this change may affect your benefit amount:

John has participated in the Plan since January 1, 1999. Since January 1, 1999, John’s employer has contributed to the Plan on John’s behalf at a rate of $0.40 per hour. John worked 2,080 hours during each year from 1999 through 2012. John retires on a Normal Pension on December 31, 2012. John’s monthly Normal Pension Benefit would be calculated in the following way:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/1999 – 12/31/2002</td>
<td>$0.40</td>
<td>$0.40<em>2,080</em>4=$3,328</td>
<td>N/A</td>
<td>$133.44</td>
<td>N/A</td>
<td>$133.44</td>
</tr>
<tr>
<td>1/1/2003 – 12/31/2005</td>
<td>$0.40</td>
<td>$0.40<em>2,080</em>3=$2,496</td>
<td>N/A</td>
<td>$55.05</td>
<td>N/A</td>
<td>$55.05</td>
</tr>
<tr>
<td>1/1/2006 – 12/31/2010</td>
<td>$0.40</td>
<td>$0.40<em>2,080</em>5=$4,160</td>
<td>1.75%</td>
<td>$72.80</td>
<td>1.75%</td>
<td>$72.80</td>
</tr>
<tr>
<td>1/1/2011 – 12/31/2012</td>
<td>$0.40</td>
<td>$0.40<em>2,080</em>2=$1,664</td>
<td>1.75%</td>
<td>$29.12</td>
<td>1.00%</td>
<td>$16.64</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$290.41</strong></td>
<td><strong>$277.93</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Therefore, using the Plan’s new benefit formula, John’s monthly Normal Pension Benefit will be $12.48 lower than it would have been under the Plan’s current benefit formula.

**Actuarial Equivalent Reduction For Early Pension Benefit and Elimination of Special Early Pension Benefit**

Two types of benefits are currently available under the Plan for Participants who retire before age 65. First, individuals who earned at least one year of Vesting Service between January 1, 2001 and December 31, 2002 can receive a Special Early Pension Benefit if they (i) are at least 55 years old, (ii) have at least 5 years of Credited Service, and (iii) retire directly from covered employment. The amount of a participant’s Special Early Pension Benefit is equal to the amount of his full Normal Pension.

Second, individuals who are at least 50 years old and have either 10 years Credited Service or 5 years of Vesting Service can receive an Early Pension Benefit if they retire before age 65. If the individual is at least 55 years old and has 30 years of Credited Service, the amount of his Early Pension Benefit is equal to the amount of his full Normal Pension. If the Participant is not at least 55 years old or does not have 30 years of Credited Service, then the amount of his Early Pension Benefit is determined as follows:

<table>
<thead>
<tr>
<th>Work Period</th>
<th>Current Early Pension Benefit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 1984 – December 31, 1986</td>
<td>Amount equal to the Normal Pension reduced by (i) 2/12 of 1% for each month you retire prior to age 62 but after age 60, and (ii) 5/12 of 1% for each month prior to age 60.</td>
</tr>
<tr>
<td>January 1, 1987 – December 31, 1995</td>
<td>An amount equal to the Normal Pension reduced by 5/12 of 1% for each month you retire prior to the first full month in which you are age 62.</td>
</tr>
<tr>
<td>January 1, 1996 – December 31, 2000</td>
<td>An amount equal to the Normal Pension reduced by 5/12 of 1% for each month you retire prior to the first full month in which you are age 55.</td>
</tr>
</tbody>
</table>
If you have five or more years of Credited Service and retire directly from covered employment, an amount equal to the Normal Pension reduced by 5/12 of 1% for each month you retire prior to the first full month in which you are age 55.

If you do not have five or more years of Credited Service or do not retire directly from covered employment, an amount equal to the Normal Pension reduced by 5/12 of 1% for each month you retire prior to the first full month in which you are age 62.

An amount equal to the Normal Pension reduced by 5/12 of 1% for each month you retire prior to the first full month in which you are age 65.

Under the current rules, the value of an individual’s Special Early Pension Benefit or Early Pension Benefit is greater than the present actuarial value of his Normal Pension Benefit. In other words, the Plan subsidizes Special Early Pension and Early Pension Benefits. Beginning January 1, 2011, this subsidy will be eliminated and the value of an individual’s Early Pension Benefit will be equal to the actuarial value of his Normal Pension Benefit. Under the new rules, the value of the Early Pension and the Special Early Pension would be the same; therefore, the Special Early Pension Benefit will be eliminated beginning January 1, 2011.

Beginning January 1, 2011, you will continue to be Eligible for an Early Pension if you retire between age 50 and age 65 (or if later, the date of your fifth anniversary of participation in the Plan), and you have completed either:

i. Ten (10) or more years of Credited Service, or
ii. Five (5) or more years of Vesting Service provided at least one (1) year of Vesting Service was earned after December 31, 1990.

If you meet these requirements, the amount of your Early Pension Benefit will be calculated under the new rules in the following way:

<table>
<thead>
<tr>
<th>Work Period</th>
<th>New Early Pension Benefit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before January 1, 1996</td>
<td>An amount equal to the Normal Pension multiplied by the actuarial equivalent factor for Age 62 Normal Retirement</td>
</tr>
<tr>
<td>January 1, 1996 – December 31, 2000</td>
<td>An amount equal to the Normal Pension multiplied by the actuarial equivalent factor for Age 65 Normal Retirement</td>
</tr>
<tr>
<td>January 1, 2001 – December 31, 2002</td>
<td>An amount equal to the Normal Pension multiplied by the actuarial equivalent factor for Age 62 Normal Retirement</td>
</tr>
<tr>
<td>After December 31, 2001</td>
<td>An amount equal to the Normal Pension multiplied by the actuarial equivalent factor for Age 65 Normal Retirement</td>
</tr>
</tbody>
</table>

The specific actuarial equivalent factor applicable to you is based upon your age when your Early Retirement Benefit commences. The following table lists the actuarial equivalent factor for each age at which you could potentially receive an Early Pension.

<table>
<thead>
<tr>
<th>Age at Commencement</th>
<th>Actuarial Equivalent Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Age 62 Normal Retirement</td>
</tr>
<tr>
<td>65</td>
<td>100%</td>
</tr>
<tr>
<td>64</td>
<td>100%</td>
</tr>
<tr>
<td>63</td>
<td>100%</td>
</tr>
<tr>
<td>62</td>
<td>100%</td>
</tr>
<tr>
<td>61</td>
<td>91%</td>
</tr>
</tbody>
</table>
For example, if you begin receiving an Early Pension when you are 60 years old you will receive 83% of the Normal Pension you would have received for your work prior to January 1, 1996 and for your work between January 1, 2001 and December 31, 2002. You will receive 61% of the Normal Pension you would have received for your work between January 1, 1996 and December 31, 2000 and for your work after December 31, 2001.

The following example further illustrates how this change may affect your benefit amount:

Paul has participated in the Plan since January 1, 1994. Paul retires on December 31, 2012 at age 57. Contributions were made to the Plan on his behalf during each of his 19 years of employment. Based on his employer’s contributions to the Plan, assume that Paul’s monthly Normal Pension Benefit would have been $540.00 if he had been eligible for Normal Pension Benefits.

Under the current rules, Paul would qualify for a Special Early Pension and the amount of his Special Early Pension Benefit would be calculated in the following way:

<table>
<thead>
<tr>
<th>Work Period</th>
<th>Monthly Normal Pension</th>
<th>Normal Retirement Age (NRA)</th>
<th>Months Retirement Age Precedes NRA</th>
<th>Reduction</th>
<th>Monthly Special Early Pension Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/1994 – 12/31/1995</td>
<td>$60.00</td>
<td>N/A</td>
<td>N/A</td>
<td>None</td>
<td>$60.00</td>
</tr>
<tr>
<td>1/1/1996 – 12/31/2000</td>
<td>$180.00</td>
<td>N/A</td>
<td>N/A</td>
<td>None</td>
<td>$180.00</td>
</tr>
<tr>
<td>1/1/2001 – 12/31/2002</td>
<td>$60.00</td>
<td>N/A</td>
<td>N/A</td>
<td>None</td>
<td>$60.00</td>
</tr>
<tr>
<td>1/1/2003 – 12/31/2010</td>
<td>$200.00</td>
<td>65</td>
<td>96</td>
<td>5/12% per month (5/12%*96=40%)</td>
<td>$120.00</td>
</tr>
<tr>
<td>1/1/2011 – 12/31/2012</td>
<td>$40.00</td>
<td>65</td>
<td>96</td>
<td>5/12% per month (5/12%*96=40%)</td>
<td>$24.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$540.00</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$444.00</strong></td>
</tr>
</tbody>
</table>
Under the new rules that will become effective on January 1, 2011, Paul’s Early Pension Benefit will be calculated in the following way:

<table>
<thead>
<tr>
<th>Work Period</th>
<th>Monthly Normal Pension</th>
<th>Applicable Normal Retirement Age (NRA)</th>
<th>Percent of Normal Received</th>
<th>Monthly Special Early Pension Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/1994 – 12/31/1995</td>
<td>$60.00</td>
<td>62</td>
<td>63%</td>
<td>$37.80</td>
</tr>
<tr>
<td>1/1/1996 – 12/31/2000</td>
<td>$180.00</td>
<td>65</td>
<td>46%</td>
<td>$82.80</td>
</tr>
<tr>
<td>1/1/2001 – 12/31/2002</td>
<td>$60.00</td>
<td>62</td>
<td>63%</td>
<td>$37.80</td>
</tr>
<tr>
<td>1/1/2003 – 12/31/2010</td>
<td>$200.00</td>
<td>65</td>
<td>46%</td>
<td>$92.00</td>
</tr>
<tr>
<td>1/1/2011 – 12/31/2012</td>
<td>$40.00</td>
<td>65</td>
<td>46%</td>
<td>$18.40</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$540.00</strong></td>
<td></td>
<td></td>
<td><strong>$268.80</strong></td>
</tr>
</tbody>
</table>

Therefore, using the Plan’s new formula, Paul’s monthly Early Pension Benefit will be $175.20 per month lower than it would have been under the current rules.

The following example further illustrates how this change may affect your Pension Benefits:

Suppose instead that Paul is 54 years old when he retires on December 31, 2012. Assuming that all of the facts above remain the same, Paul would not have qualified for a Special Early Pension under the current rules because he has not reached age 55. Instead, Paul would be eligible for an Early Pension. The amount of Paul’s Early Pension Benefit would be calculated as follows:

<table>
<thead>
<tr>
<th>Work Period</th>
<th>Monthly Normal Pension</th>
<th>Applicable Normal Retirement Age (NRA)</th>
<th>Months Retirement Age Precedes NRA</th>
<th>Reduction</th>
<th>Monthly Early Pension Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/1994 – 12/31/1995</td>
<td>$60.00</td>
<td>62</td>
<td>96</td>
<td>5/12% per month (5/12%*96=40%)</td>
<td>$36.00</td>
</tr>
<tr>
<td>1/1/1996 – 12/31/2000</td>
<td>$180.00</td>
<td>55</td>
<td>12</td>
<td>5/12% per month (5/12%*12=5%)</td>
<td>$171.00</td>
</tr>
<tr>
<td>1/1/2001 – 12/31/2002</td>
<td>$60.00</td>
<td>55</td>
<td>12</td>
<td>5/12% per month (5/12%*12=5%)</td>
<td>$57.00</td>
</tr>
<tr>
<td>1/1/2003 – 12/31/2010</td>
<td>$200.00</td>
<td>65</td>
<td>132</td>
<td>5/12% per month (5/12%*132=55%)</td>
<td>$90.00</td>
</tr>
<tr>
<td>1/1/2011 – 12/31/2012</td>
<td>$40.00</td>
<td>65</td>
<td>132</td>
<td>5/12% per month (5/12%*132=55%)</td>
<td>$18.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$540.00</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$372.00</strong></td>
</tr>
</tbody>
</table>

1 The Normal Retirement Age that was in effect prior to 1/1/1996 was age 62.
2 The Normal Retirement Age that was in effect from 1/1/1996 to 12/31/2000 was age 55.
3 The Normal Retirement Age in effect from 1/1/2001 to 12/31/2002 for a Participant with five or more years of Credited Service was age 55.
Under the new rules that will become effective on January 1, 2011, Paul’s Early Pension Benefit will be calculated in the following way:

<table>
<thead>
<tr>
<th>Work Period</th>
<th>Monthly Normal Pension</th>
<th>Normal Retirement Age (NRA)</th>
<th>Percent of Normal Received</th>
<th>Monthly Early Pension Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/1994 – 12/31/1995</td>
<td>$60.00</td>
<td>62</td>
<td>48%</td>
<td>$28.80</td>
</tr>
<tr>
<td>1/1/1996 – 12/31/2000</td>
<td>$180.00</td>
<td>65</td>
<td>36%</td>
<td>$64.80</td>
</tr>
<tr>
<td>1/1/2001 – 12/31/2002</td>
<td>$60.00</td>
<td>62</td>
<td>48%</td>
<td>$28.80</td>
</tr>
<tr>
<td>1/1/2003 – 12/31/2010</td>
<td>$200.00</td>
<td>65</td>
<td>36%</td>
<td>$72.00</td>
</tr>
<tr>
<td>1/1/2011 – 12/31/2012</td>
<td>$40.00</td>
<td>65</td>
<td>36%</td>
<td>$14.40</td>
</tr>
<tr>
<td>Total</td>
<td>$540.00</td>
<td></td>
<td></td>
<td>$208.80</td>
</tr>
</tbody>
</table>

Therefore, using the Plan’s new formula, Paul’s monthly Early Pension Benefit will be $163.20 per month lower than it would have been under the current rules.

**Non-Credited, Employer Contribution Rate Increases**

Under the Preferred Schedule, collective bargaining agreements entered into after January 1, 2011 will require employers to make increased contributions to the Plan. The exact amount of the increase will depend upon when the collective bargaining agreement is adopted. The contribution rate increases, and any other contribution rate increases required by the PPA, do not accrue additional benefits.

Please keep this Notice with your current Summary Plan Description for future reference. If you have questions regarding these changes, please contact the Plan Administrator: Wilson-McShane Corporation, 2002 London Road, Suite 300, Duluth, Minnesota 55812; telephone (218) 728-4231 or (877) 752-3863.