

Notice of Critical Status For

Intermountain Retail Store Employees Pension Plan

December 29, 2011

This is to inform you that on November 29, 2011 the Plan actuary certified to the U.S. Department of the Treasury, and also to the Board of Trustees, that the Plan is in critical status for the Plan year beginning September 1, 2011. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined the Plan entered critical status in the Plan year beginning September 1, 2010 and remains in critical status in the Plan year beginning September 1, 2011 because the Plan's actuary determined that the sum of the Plan's normal cost and interest on the unfunded benefits for the current Plan year exceeds the present value of all expected contributions for the year; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; and over the next four Plan years, the Plan is projected to have an accumulated funding deficiency.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the second year the Plan has been in critical status. On December 29, 2010, as required by federal law, you were notified that as of December 29, 2010, the Plan was no longer permitted to pay lump sum benefits (or any other payments in excess of the monthly amount paid under a single life annuity, such as the level income option) while it is in critical status. Moreover, the law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the Trustees of the Plan determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. If benefit reductions occur, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after December 29, 2010.

Adjustable Benefits

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the Plan may adopt:

- Post-retirement death benefits, including a death benefit for unmarried participants

- Sixty-month payment guarantees
- Disability benefits (if not yet in pay status)
- Early retirement benefits or retirement-type subsidies
- Benefit payment options other than a qualified joint-and-survivor annuity (QJSA)
- Other similar benefits, rights, or features under the Plan (preretirement death benefits in excess of a qualified preretirement survivor annuity) and the level income option.
- Certain cost of living adjustments.

Employer Surcharge

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the Plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding Plan year thereafter in which the Plan is in critical status until a new collective bargaining agreement which contains terms consistent with the Plan's rehabilitation plan takes effect. All contributing employers began to pay the 5% surcharge with their February 2011 contributions (for hours worked in January 2011) and the 10% surcharge with contributions due in September 2011 (for hours worked August 2011).

Where to Get More Information

For more information about this Notice, you may contact the Board of Trustees of the Intermountain Retail Store Employees Pension Plan, c/o Zenith American Solutions, Inc. at 1-509-534-5625 or 1-800-522-2403 or at 111 W. Cataldo Suite #220, Spokane, WA 99201. You have a right to receive a copy of the rehabilitation plan from the Plan.