

UFCW LOCAL ONE 401(K) SAVINGS PLAN

SUMMARY PLAN DESCRIPTION

March 1, 2007

UFCW LOCAL ONE 401(K) SAVINGS PLAN

BOARD OF TRUSTEES

Union Trustees
Frank C. DeRiso
Eric Glathar

Employers Trustees
John P. Barrett
Edward Colburn

FUND DIRECTOR

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ADMINISTRATIVE MANAGER

Excellus Benefit Solutions

March 1, 2007

Dear Member,

We are pleased to provide this Summary Plan Description ("SPD") to you. It gives you a description of the UFCW Local One 401(k) Savings Plan ("Plan" or "Fund") in effect as of March 1, 2007. Providing for retirement is an important part of your financial future. To give you additional income for retirement, the U.F.C.W. District Union Local One and your Employer have adopted the Plan. The Plan has recently been amended and this Summary Plan Description includes the new changes through March 1, 2007.

Please review the contents of this SPD carefully and be sure you understand the benefits that are available to you. You will then be better able to plan for your future years. If you have questions regarding the information contained in this SPD, we encourage you to write or call the Fund Office for answers.

The Plan document and SPD in effect at the time you leave Covered Employment will generally contain the benefit rights that apply to you. Consequently, this SPD generally applies only to Participants who are in Covered Employment on or after March 1, 2007.

The Trustees of the Plan are responsible for collecting contributions from your Employer that are required by the Collective Bargaining Agreement between your Employer and the U.F.C.W. District Union Local One or another written agreement between your Employer and the Fund. In addition, we are required to administer the provisions of the Plan itself. The Trustees are assisted in these tasks by professional advisors. These include attorneys, accountants, auditors, and investment management advisors.

Part of the daily administration of the Plan is provided by Excellus Benefit Services ("EBS"), a professional employee benefits administration firm, and the Fund Office. You are encouraged to contact the Fund Office or EBS for answers to questions and for other assistance in understanding your benefits.

The Board of Trustees believe this Plan offers valuable benefits for you and your family.

For the Board of Trustees

Frank C. DeRiso
Chairman

IMPORTANT NOTICE

This SPD is only a summary of your rights and benefits under the Plan. Therefore, in the event that there is a conflict between this SPD and the Plan document, the language contained in the Plan document (available at the Fund Office) will control.

Nothing in this booklet is meant to interpret, or extend, or change, in any way, the provisions of the Plan. Only the Board of Trustees has the power to interpret and apply the terms of the Plan document and SPD and the rules under which they are administered. Any decision made by the Board of Trustees is binding upon Employers, Employees, Participants, Beneficiaries and all other persons involved in or affected by the Plan. The Trustees reserve the right to amend, modify, or discontinue all or part of the Plan whenever in their sole and exclusive judgment, conditions so warrant.

It is very important that you keep the Fund Office informed of any changes in your current address, marital status or Beneficiary designations. Keeping the Fund Office advised of your address is the **ONLY** way the Trustees can keep in touch with you regarding Plan changes and other developments that may affect your benefits.

Please remember that no one other than the Fund Office can verify your benefits under the Plan. Do not rely upon any statement regarding your benefits under the Plan made by your Employer, Union Steward or other Union representative.

If you have questions about any aspect of your participation in the Plan you should contact the Fund Office.

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SECTION 1
IMPORTANT PLAN INFORMATION

Name of Plan: UFCW Local One 401(k) Savings Plan

Participating Employers: You may receive from the Fund Office, upon written request, information as to whether a particular employer participates in the Fund. If the employer participates, you may also request the Employer's address.

Union: UFCW District Union Local One

Plan Sponsor/Plan Administrator: Board of Trustees of the UFCW Local One 401(k) Savings Plan, 5911 Airport Road, Oriskany, NY 13424

Type of Plan: The Fund is a multiemployer defined contribution plan designed to provide retirement benefits to Participants and their surviving Spouses and Beneficiaries.

Type of Administration: The Board of Trustees has contracted with Excellus Benefit Solutions (“EBS”) to provide administrative services.

Funding Medium: The assets of the Fund are held in trust and are administered by the Board of Trustees. The assets of the Fund are used to pay benefits and the administrative expenses of the Fund. Participants are responsible for directing the investment of the assets that are contributed to the Fund on their behalf.

Sources of Contributions to the Fund: The Fund was established and is maintained pursuant to Collective Bargaining Agreements between the U.F.C.W. District Union Local One and Employers that have agreed to make contributions to the Fund on behalf of their Employees. In addition, the Union, the UFCW Local One Health Care Fund and the UFCW Local One Pension Fund may make contributions to the Fund on behalf of their employees under Participation Agreements with the Fund. Participants may make contributions to the Fund through payroll deductions. Employers may be required to make contributions, including matching contributions, to the Fund on behalf of their Employees that have elected to participate in the Fund. Copies of the Collective Bargaining Agreements pursuant to which contributions are made to the Plan are also available for examination at the Fund Office, and may be obtained upon written request.

Plan Year: January 1 through December 31

Agent for Service of Legal Process: Any Trustee at: UFCW Local One 401(k) Savings Plan, 5911 Airport Road, Oriskany, N.Y. 13424

Employer Identification No.: 16-6184130

Plan Number: 003

Board of Trustees

Union Trustees

Frank C. DeRiso, President
UFCW District Union Local One
5911 Airport Road
Oriskany, NY 13424

Eric Glathar
UFCW District Union Local One
5911 Airport Road
Oriskany, NY 13424

Employer Trustees

John P. Barrett
Tops Market, LLC
P.O. Box 1027
Buffalo, NY 14240

Edward Colburn
Sahlen Packing Co.
P.O. Box 280
Buffalo, NY 14206

SECTION 2 DEFINITIONS

Account Balance means the amount held in a Participant's Account under the Fund which includes the sum of the Participant's Pre-Tax Account, Post-Tax Account, Roth Account, Rollover Contributions Account, and Employer Contributions Account.

Beneficiary means the person designated in writing by a Participant, in the form and manner required by the Trustees, to receive benefits payable on behalf of the Participant under the Fund, if any, following the death of the Participant.

Covered Employment means employment for which contributions to the Fund are required by the terms of a Collective Bargaining Agreement between your Employer and the Union. Covered Employment includes service as an Employee of the Union, this Fund, and any other trust fund co-sponsored by the Union, if your position is covered by a Participation Agreement and is employment with respect to which the Union or fund is obligated to make contributions to the Fund or required to permit its employees to make contributions to the Fund.

Collective Bargaining Agreement ("CBA") means an agreement between the Union and an Employer that requires contributions to the Fund on your behalf.

Disability Retirement Date means the date upon which a Participant becomes eligible for a disability benefit from the Social Security Administration.

Employee means any person covered by a Collective Bargaining Agreement between an Employer and the Union in a position eligible to make contributions to the Fund or for which the Employer is required to make contributions to the Fund. Employee also includes employees of the Union, this Fund or any other trust fund co-sponsored by the Union who is covered by a Participation Agreement and who is engaged in a position eligible to make contributions to the Fund or with respect to which the Union or fund is obligated to make contributions to the Fund.

Employee Contributions mean pre-tax Employee Contributions, post-tax Employee Contributions, Employee Catch-Up Contributions, Roth Employee Contributions, or Employee Rollover Contributions. These types of contributions are explained below in more detail.

Employer means an employer that is required to pay contributions to the Fund under a Collective Bargaining Agreement or required to permit its employees to make contributions to the Fund. The term "Employer" also includes the Union, this Fund, and any other trust fund co-sponsored by the Union, if it has executed a Participation Agreement, is accepted for participation in the Fund by the Board of Trustees and makes contributions to the Fund as required by a Participation Agreement or is required to permit its employees to make contributions to the Fund.

Employer Contributions mean payments by an Employer to the Fund required by a Collective Bargaining Agreement or Participation Agreement, including matching Employer Contributions that are contingent on a contribution being made by the Employee.

Employer Contributions Account means the account established to hold Employer Contributions made on behalf of a Participant and attributable investment earnings.

ERISA means the Employee Retirement Income Security Act of 1974, as amended from time to time.

Normal Retirement Age means the first day of the month on or next following the Participant's 55th birthday.

Participant means an Employee who is eligible to participate in the Fund and has elected to do so.

Participation Agreement means an agreement that obligates an Employer to be bound by the Fund and the actions of the Board of Trustees.

Plan or Fund means the UFCW Local One 401(k) Savings Fund.

Plan Year means the 12 consecutive calendar months beginning January 1st and ending December 31st.

Post-Tax Account (also called Employee Voluntary Account) means the account established to hold a Participant's post-tax Employee Contributions and attributable investment earnings.

Pre-Tax Account (also called Employee Deferral Account) means the account established to hold a Participant's pre-tax Employee Contributions and attributable investment earnings.

QDRO means a "qualified domestic relations order" within the meaning of the law. See Section 4 of this SPD for more information.

Rollover Contributions Account means the account established to hold a Participant's Employee Rollover Contributions and attributable investment earnings.

Roth Account means the account established to hold a Participant's Roth Employee Contributions and attributable investment earnings.

Spouse means the person to whom you, the Participant, are legally married. Your Spouse can mean your former spouse if provided under a QDRO.

Trust or Trust Agreement means the written document creating the Fund, effective September 1, 1976, as amended.

Trustee means a member of the Board of Trustees of the UFCW Local One 401(k) Savings Plan.

Union means the United Food and Commercial Workers District Union Local One.

Valuation Date means the date on which the amount in a Participant's Account is determined.

SECTION 3
QUESTIONS AND ANSWERS

A. GENERAL INFORMATION

1. What is the 401(k) Savings Plan?

The Plan is a type of defined contribution plan with individual Accounts that helps you save for your retirement by allowing you to make contributions to the Fund by payroll deduction. Your Employer may also be required to make contributions to the Fund on your behalf. The Fund also provides certain benefits in the event of your retirement, death, disability or other termination of employment. There are certain tax advantages to you depending upon the type of contributions you make to the Fund. These advantages are explained in more detail below.

2. Who are the contributing Employers?

The contributing Employers are Employers who have entered into Collective Bargaining Agreements with the Union that require them to contribute to the Fund on your behalf or to permit you to make contributions to the Fund. The Union, this Fund, and any other trust fund co-sponsored by the Union also may be a contributing Employer for its employees. You can contact the Fund Office for a list of the Employers. Contributing Employers will make payments to the Fund of an amount specified in the Collective Bargaining Agreement or other written agreement with the Fund.

3. Who is the Investment Advisor for the Fund?

The assets of the Fund are held in trust by Unified Trust Company, N.A. as Custodian. The Board of Trustees of the Fund has selected Unified Trust Company to be the investment fiduciary of the Plan. Unified selects the investment vehicles available to you under the Fund.

4. Who is the Record-keeper for the Plan? How is Plan record keeping handled?

The Fund's records are computerized and are kept by EBS, a third party administrator, and the Fund Office. You will receive quarterly individual statements that show all the investment activity relating to your Account for the quarter.

5. Who controls the operation of the Plan?

The Plan is managed by a joint Board of Trustees comprised of an equal number of Union and Employer Trustees, with equal representation. The Trustees manage the operation of the Plan. The Trustees have many discretionary powers and have full authority and responsibility to interpret the Plan. They determine all questions of

eligibility and all requests or claims for distributions must be made to them. Any appeals concerning any claim must be made to the Trustees.

6. Can I assign my rights under the Plan to anyone?

No portion of your Accounts may be transferred, assigned or used as collateral for a loan outside of this Plan except to the extent required by law. Creditors may not attach, garnish or otherwise interfere with your Accounts except in the case of an IRS tax levy or a Qualified Domestic Relations Order (QDRO). A QDRO is a special order normally issued by the court in a divorce, child support or similar proceeding. In this situation, your spouse (or former spouse) or someone other than you or your designated Beneficiary may be entitled to a portion or all of your vested interest in your Accounts. You may obtain from the Fund office, without charge, a copy of the Plan's procedures governing QDROs.

7. How long will the Plan continue?

The Trustees may amend the Plan from time to time, but they cannot make any change that would take away any of your vested Account Balance benefits.

While the Plan is intended by the Trustees to be a permanent program of retirement benefits for Participants, the Trustees nevertheless have the power to terminate the Plan at any time. If the Plan is terminated, you will receive a distribution of your entire Account Balance.

Under the terms of federal law, the assets of the Plan are to be used for the benefit of the Participants and beneficiaries, in an order of priority consistent with federal law. If all of the Plan benefits are provided by the assets of the Plan, and there is still money left over, the money is to be used to increase the benefits of all Participants. Under no circumstances may money which has been properly contributed to the Plan ever be returned to any Employer or Union.

B. ELIGIBILITY AND ENROLLMENT

1. Which Employees are eligible to Participate in the Fund?

If you earned at least one hour of service under the Plan prior to January 1, 2007, you will be eligible to participate in the Plan on the date specified in your Collective Bargaining Agreement, but no later than 12 months after your date of hire. Your eligibility period under the Plan will not be considered to be broken by any period of absence that is less than 12 months long.

If you first earn an hour of service under the Plan on or after January 1, 2007, you will be eligible to participate in the Plan on the date specified in your Collective Bargaining Agreement, but no later than the date that you turn age 21 and have been employed by

your Employer for at least 12 months. Your eligibility period under the Plan will not be considered to be broken by any period of absence that is less than 12 months long.

2. How important is it that you enroll in the Fund?

If you are an eligible Employee of an Employer and you do not enroll in the Fund, you may not make contributions to the Fund. If you do not make contributions to the Fund, you will lose the benefit of any matching Employer Contributions that your Employer might be obligated to make to the Fund on your behalf.

3. How do you enroll in the Fund?

The Fund Office will mail you information about the Plan prior to the date you become eligible to participate in the Plan. You may request an Enrollment Package from the Fund Office at any time.

4. What should you do when you get the Enrollment Package?

The Enrollment Package contains your initial enrollment form, Beneficiary designation form, instructions, a prospectus for each investment option offered under the Fund, and a description of the investment options available to you. If you want to enroll in the Fund, please complete and return the enrollment and Beneficiary forms. If you have any questions regarding the Enrollment Package or the investment options available to you, please contact the Fund Office.

C. CONTRIBUTIONS AND THEIR INVESTMENT

1. Who funds your benefit and how are contributions determined?

a. Pre-Tax Employee Contributions

You are allowed to contribute to the Plan on a pre-tax basis by payroll deduction in accordance with the Collective Bargaining Agreement between your Employer and the Union or as specified in your Employer's Participation Agreement. These contributions are known as pre-tax Employee Contributions because you are not taxed on them at the time they are made to the Plan. Pre-tax Employee Contributions will be deposited in your Pre-Tax Account under the Plan. The annual limit on pre-tax Employee Contributions is \$15,500 for 2007. This limit will be adjusted by the IRS periodically for inflation. You may increase, decrease or suspend the amount of your pre-tax Employee Contributions by giving written notice to your Employer and the Fund Office at least one month before the beginning of the pay period for which the change will be effective. Salary deferral change forms are available from the Fund Office or can be found on the EBS website. If you suspend your pre-tax Employee Contributions, you must wait at least six months from the date of suspension before resuming your pre-tax Employee Contributions. Further, any matching Employer Contributions being

made to the Plan on your behalf will be suspended during any suspension of your pre-tax Employee Contributions. You will always be 100% vested in your Pre-Tax Account.

You will not be taxed on your pre-tax Employee Contributions or attributable investment earnings until you take a distribution from your Pre-Tax Account.

You will not be allowed to make pre-tax Employee Contributions in excess of the amount allowed by law. Once your Employee Contributions for a calendar year reach the legal limit, any authorization you execute allowing further pre-tax Employee Contributions will be suspended for the rest of the calendar year and the Fund will not accept additional pre-tax Employee Contributions from you in that year. However, you may be able to make post-tax Contributions to your post-tax account if such contributions are allowed under your Collective Bargaining Agreement. Please contact the Fund Office or refer to your Collective Bargaining Agreement if you have questions regarding whether this option is available to you.

b. Employee Catch-Up Contributions

If you will be age 50 or older by the end of a Plan Year, you may make additional pre-tax Employee Contributions, known as Employee Catch-Up Contributions. If your pre-tax Employee Contributions at the end of a Plan Year exceed a Plan or legal limit, (the dollar limit on pre-tax Employee Contributions is \$15,500 for 2007), your pre-tax Employee Contributions in excess of the applicable limit will be treated as Employee Catch-Up Contributions as long as they are not over the catch-up dollar limit for the year. The catch-up dollar limit for 2007 is \$5,000. This limit may be adjusted for inflation by the IRS. Employee Catch-Up Contributions are deposited in a Participant's Pre-Tax Account. The same change, suspension, limitations, matching contribution, withdrawal and distribution rules that apply to pre-tax Employee Contributions also apply to Employee Catch-Up Contributions.

c. Employee Roth Contributions

Effective for Employee Contributions made after March 15, 2006, you may designate all or a part of your Employee Contributions, including Employee Catch-Up Contributions (if applicable), as Employee Roth Contributions if your Employer includes this contribution in your taxable income and it is permitted by the agreement between the Fund and your Employer or the Union and your Employer. Employee Roth Contributions will be deposited in your Roth Account. An Employee Roth Contribution is taken from your wages after you pay taxes and at the time it is made to the Plan. However, you will not be taxed on a distribution from your Roth Account, as long as the distribution does not occur within the 5-year period beginning with the first year in which you made your first Roth Contribution to the Plan. Roth Contributions also are combined with

your 401(k) Pre-Tax Contributions for purposes of any Plan design limit (like the 10% deferral limit) and the annual dollar limit on 401(k) pre-tax deferrals (\$15,500 for 2007). Catch-Up Contributions of another \$5,000 are available to eligible participants who are at least age 50. The same election, investment, matching contribution, loan, hardship withdrawal and distribution rules that apply to Pre-Tax Savings Contributions also apply to Roth Contributions. You will always be 100% vested in your Roth Contribution Account. Since Roth Contributions will grow tax-free, there could be a significant tax savings in retirement from Roth Contributions, depending on your income in retirement and how long your Roth Contributions are invested before retirement. The higher your retirement income and the longer you have until retirement, the more advantageous Roth Contributions may be for you. You should consult with a tax advisor to determine which type of Contribution to the Plan is right for you.

d. Employee Rollover Contributions

You may roll over into the Plan part or all of a cash distribution received from another employer plan or IRA, called an “Eligible Retirement Plan”. This is known as an Employee Rollover Contribution. An Eligible Retirement Plan includes an employer’s tax-qualified retirement plan (“Employer Plan”), an individual retirement arrangement (“Traditional IRA”), a qualified annuity plan (“403(a) Plan”), a tax-sheltered annuity plan (“403(b) Plan”) or an eligible deferred compensation plan of a state, political subdivision of a state or any agency (“Governmental 457(b) Plan”). If the rollover into the Plan is not a direct rollover (*i.e.*, you received a cash distribution from the Eligible Retirement Plan), then this Fund must receive your rollover contribution within **60** days of your receipt of the distribution from the Eligible Retirement Plan. A Rollover Contribution may only be made in the form of cash. The Trustees reserve the right to refuse to accept any rollover contribution. Your Rollover Contribution will be deposited in your Rollover Contributions Account. Your Rollover Contributions Account will always be fully vested. If you have any questions about whether something is eligible to be a Rollover Contribution, call the Fund Office.

e. Employer Contributions

Your Employer may make an Employer Contribution as provided for in your Collective Bargaining Agreement or other agreement with your Employer. Any Employer Contribution will be credited to your Employer Contributions Account.

2. When are contributions credited to your Account?

The contribution amounts (Employer and Employee) are generally credited to your Account as soon as administratively feasible after receipt by the Fund Office or Unified Trust. The Fund Office sends the contributions it receives to Unified Trust, which, in turn, places the contributions in the investment options you have selected.

3. How is your Account invested?

You may choose to invest the assets in your Accounts among the investment options available under the Fund, subject to restrictions set by the custodian and any additional restrictions imposed by the Trustees. Your election to invest in any or all of the investment options must be in whole percentages. If you fail to make an initial election, all contributions will be invested in the "default option" selected by Unified. Currently, the default option for Participants less than 50 years of age is the 60-40 Model Portfolio. The default option for Participants age 50 and over is the 40-60 Model Portfolio. The investment options and the risks and restrictions are described in the investment materials included in your Enrollment Packet. The Board of Trustees reserves the right to change the investment fiduciary or the investment structure of the Fund at any time.

You may change the way new contributions are invested by changing your investment allocation using the EBS Voice Response System (1-800-779-4015). You can use the Voice Response System to change investment allocations for future contributions, check your Account Balance or move funds from one investment option to another. You may also check your Account Balance, review Account activity, and make investment changes by accessing the EBS website (www.ebs-benefits.com). A full description of how to use the EBS website is included as an insert to this booklet.

The Board of Trustees intends to operate the Fund as a self-directed account plan within the requirements of ERISA Section 404(c). This means that you are solely responsible for directing the investment of the assets in your Accounts among the different investment vehicles available under the Fund. As a result, the Fund's fiduciaries may be relieved of liability for losses that are a direct and necessary result of your investment decisions and related instructions. Neither the Fund's investment fiduciary Unified, the Board of Trustees, your Employer nor the Union have the authority to advise you on how to invest your Accounts. Further, the fact that a particular investment option is offered under the Fund does not mean that the Fund is recommending that you invest in such an option.

At the time you are eligible to participate in the Plan, you will receive the following information related to your investment options:

- a. A description of the investment alternatives available under the Plan, including a general description of the investment objectives and risk return characteristics of each alternative;
- b. Identification of any investment managers;
- c. A description of any transaction fees or expenses that are charged to your Accounts;

- d. In the case of certain investment alternatives, a copy of the most recent prospectus is furnished immediately before your investment;
- e. A copy of the Summary Plan Description;
- f. An Enrollment Form and Beneficiary form; and
- g. A notice under ERISA Section 404(c) regarding your ability to direct the investment of the assets in your Accounts.

You also may request the following additional information regarding the investment alternatives from Unified Trust Company, the investment fiduciary, or Adirondack Financial Services:

- a. A description of the annual operating expenses borne by the Fund's investment alternatives;
- b. Copies of any prospectuses, financial statements, reports and other information furnished to the Fund relating to an investment alternative that you have not already received;
- c. A listing of assets comprising the portfolio of an investment alternative that holds Fund assets, the value of such assets, and, in the case of fixed-rate investment contracts issued by a bank, savings and loan association or insurance company, the name of the issuer of the contract, the term of the contract and the rate of return on the contract;
- d. Information concerning the value of shares or units in investment alternatives available to you, as well as information concerning the past and current investment performance of the alternative; and
- e. Information concerning the value of shares or units in investment alternatives held in your account.

If you fail to receive all of the required information, have questions, or would like to request additional information, please contact the Fund Office.

4. How is your Account valued?

The Fund Office maintains Accounts for you, showing the amount in each investment option you have selected. The value, at any time, of your Accounts reflects:

- (1) All contributions made by or for you, adjusted by
- (2) attributable earnings and net investment gain or loss, minus
- (3) any amounts withdrawn in accordance with the Plan, and minus

(4) Expenses chargeable to your Account under the Plan, including but not limited to expenses incurred for QDROs, loan processing and administration, and the general administration of the Fund, as determined by the Trustees.

Since the investment options available under the Plan are mutual funds or other investment vehicles that are priced on a daily basis, the value of your Accounts will be updated daily based on the share price at the close of business on the prior day.

Both the number of shares held in your Accounts and the market value of the Accounts will be available on a daily basis through the Voice Response System and the EBS website.

5. What is vesting? How do you become vested under the Plan?

Vesting is a form of ownership or right to receive a retirement benefit. The Employee Contributions and Employer Contributions to your Accounts are fully vested upon deposit in your Accounts (i.e. the contributions belong to you immediately and cannot be lost because you change employment).

Remember that even though you are 100% vested in your Accounts, the value of your Accounts depends on the investment performance of the investment options you have selected. Since the value of your Accounts can decrease based on this investment performance, make sure you understand the risks associated with the investment options that you select.

6. What is the maximum number of work hours that will be counted under the Fund for contribution purposes?

The Collective Bargaining Agreement between your Employer and the Union determine the maximum number of work hours that may be counted for contribution purposes under the Fund.

7. What happens if I enter Military Service?

The Uniformed Services Employment and Reemployment Rights Act ("USERRA") provides reemployment rights and benefits and protection from discrimination to individuals who, either by induction or as a volunteer, have entered military service in any branch of the uniformed forces of the United States. If you satisfy the conditions for protection under USERRA, your period of military service will be treated as hours of service for all purposes under the Plan, including vesting and eligibility in accordance with the law. You also can "make up" the contributions that you would have made if you had remained in Covered Employment, within a period (beginning with the date of reemployment) that is three times the duration of your military service, not to exceed five (5) years. No retroactive investment earnings are credited on your "make up" contributions and you will receive credit for these contributions only to the extent that

you actually make the contributions to the Plan. Once you make these Employee Contributions, your Employer will be required to contribute any Employer Contributions that are due under the law for your period of military service.

To be entitled to reemployment rights and pension benefits under the USERRA, you must:

- a. be absent from Employment with an Employer because of your military service;
- b. give advance notice of your service to your Employer, unless notice is prevented by military necessity or otherwise is impossible or unreasonable to give under the circumstances;
- c. be absent for military service for five years or less, unless extended service is required as part of your initial period of obligation or your service is involuntarily extended, such as during a war;
- d. apply for a job with an Employer within the requisite time period; and
- e. receive an honorable discharge or satisfactorily complete military service.

For periods of military service of less than 31 days or an absence due to a fitness exam, you must report back to Covered Employment not later than the first regularly scheduled work period on the first day after an eight hour break and after time for travel back home. For periods of military service from 31 days to 180 days, you must reapply for Covered Employment within 14 days after military service. For service over 180 days, you must reapply within 90 days after completion of service. These limits may be extended under USERRA in particular circumstances.

D. PAYMENT OF BENEFITS UNDER THE FUND

1. What is the Normal Benefit of Payable under the Fund?

When you terminate your Employment with a contributing Employer, you will receive the full value (100%) of your Account Balances in one lump sum cash payment. No other benefit forms are available from the Fund. Before you receive a distribution from the Fund, you may want to consult a financial advisor about a direct rollover to an Eligible Retirement Plan.

2. When will you receive your benefits under the Plan?

You can elect to take a distribution of your Accounts after you terminate all employment with an Employer. Your consent is required before a distribution of your Accounts will be made. However, your Accounts must begin to be distributed no later than the April 1st of the calendar year following the later of the calendar year in which you reach age

70½ or the calendar year in which you retire. When a distribution is made to you from the Fund, the Fund may be required by the IRS to withhold 20% of the distribution for federal income taxes, unless you transfer your entire Account directly to an Eligible Retirement Plan or other qualified plan that accepts rollover payments. At the time of your distribution, the Fund Office will provide you with additional information regarding your rollover options.

3. What will happen to your Accounts if you are unable to manage your own affairs due to illness or incapacity?

If you are eligible to receive any payment under the Fund and the Trustees determine, in their discretion, that you are unable to carry out your own affairs as a result of illness or incapacity, any amount payable to you may be paid to your Spouse or such other person as the Trustees determine, in their discretion, would be appropriate, unless a claim for your benefits has been made by your legally appointed representative.

4. May you make a withdrawal of benefits under the Fund while employed in Covered Employment?

Yes. Upon filing a written request with the Fund, you may receive an In-Service Distribution of all or a part of your Accounts if the following requirements have been met:

(1) You are at least age 59½ and have not yet terminated your Covered Employment under the Plan; and

(2) Your interest in the Account from which the distribution is to be made is vested and nonforfeitable.

You may take a withdrawal of any post-tax Employee contributions that you made to your Post-Tax Account under the following rules:

a. You must provide one month advance written notice to the Trustees of your intent to take a withdrawal;

b. Your withdrawal must be in an amount not less than (i) \$200.00; or (ii) the total amount of all Employee Contributions you have made to your Post-Tax Account, if less;

c. You may not take more than two withdrawals per year and you may not repay the amounts that you have withdrawn.

d. If you take the withdrawal during your first or second year of participation, your right to make pre-tax Employee Contributions to the Fund will be suspended for 6 months.

e. If you take the withdrawal during a year of participation after your second full year of participation, no suspension or other penalty will apply if the total amount withdrawal does not exceed the lesser of (i) the amount of the contributions you paid into your Post-Tax Account two years or more before the date of withdrawal; and (ii) an amount equal to the value of such contributions. You can withdraw additional amounts attributable to the Employee Contributions in your Post-Tax Account, but any such withdrawals are subject to the provisions in subsection (d) above, as if the withdrawal had been made during your first or second full year of participation.

5. May I take a hardship withdrawal under the Fund?

Yes. You may withdraw all or any portion of your pre-tax Employee Contributions and Employee Catch-Up Contributions, as well as any amount from your Roth Account, Post-Tax Account, Employer Contributions Account, and Rollover Contributions Account in the event of a hardship due to an immediate and heavy financial need.

The following are considered to be immediate and heavy financial needs:

- (1) costs directly related to the purchase (excluding mortgage payments) of a principle residence for you;
- (2) the payment of tuition and related educational fees for the next twelve months of post-secondary education for you, your spouse, children or other dependents;
- (3) the payment of expenses to prevent your eviction from your principle residence or foreclosure of a mortgage secured by your principle residence; and
- (4) the payment of expenses incurred for Code Section 213(d) medical care for you or your spouse or dependents, or necessary to obtain such medical care.
- (5) funeral or burial expenses for your deceased parent, spouse, child, or dependent; and
- (6) expenses to repair damage to your principal residence that would qualify for a casualty loss under Code Section 165, determined without regard to whether the loss exceeds 10% of adjusted gross income.

As required by IRS regulations, you may only receive a Hardship Distribution under the Fund if you have received all other available distributions, other than Hardship Distributions, and all non-taxable loans under all plans maintained by your Employer. Further, once you have received a Hardship Distribution, you cannot make Employee Contributions to the Fund for 6 months from the date you received the Hardship Distribution.

Your request for a Hardship Distribution must be made in writing on forms provided by the Fund and must include a written statement that an immediate and heavy financial need exists, including an explanation of the need. Your request also must include a written statement that the amount requested does not exceed the amount needed to meet the financial need.

A Hardship Withdrawal is not an eligible rollover distribution. Instead, a Hardship Withdrawal is subject to the 10% federal income tax withholding rate unless you elect out of withholding or an exception applies. Earnings in your Roth Account that are withdrawn as part of a Hardship Withdrawal are also subject to the 10% tax unless an exception applies.

6. May I receive a loan from the Fund?

Yes. You may apply for a loan under the Plan in the event of financial necessity for any reason. In order to apply for a loan, you must complete and return the Fund's loan application packet to the Fund Office within the time specified on the application. The Fund will administer the loan program in accordance with the Loan Policy adopted by the Board of Trustees. The Trustees have sole discretion to decide whether to grant your loan request based on the information included in your loan application packet. The Board of Trustees will set the interest rate for all loans granted under the Plan.

The total outstanding amount that you may borrow is limited to the lesser of 50% of your vested account balance, or \$50,000, reduced by your highest outstanding loan balance within the last year. However, a loan must be for at least one thousand dollars (\$1,000).

You may only have two (2) outstanding loans at a time, and the loans will be evidenced by a promissory note setting forth the repayment terms. Any loan must be repaid by payroll deduction in a manner prescribed by the Board of Trustees. Loans must be repaid within five years unless such loan is used to acquire, construct, reconstruct or rehabilitate a dwelling unit which within a reasonable time (determined at the time the loan was made) will be used as your principal residence.

You may fully repay the outstanding balance of a loan at any time. Partial payment of the principal balance is not permitted. Principal and interest payments on each loan will be allocated for investment in accordance with your investment elections.

As collateral for any loan granted under this Section, you must grant the Fund a security interest equal to fifty percent of your vested interest in the Plan, but not to exceed two hundred percent of the loan amount, as of the date that the loan is made. If you default on a loan granted under this Section, the total outstanding principal and interest on the loan will be due immediately and will be treated as a distribution from the Plan that is reportable to the IRS on a form 1099-R for the year in which the default occurred.

The following events will constitute a default under this Section:

- Your death or disability.
- The termination of the Plan.
- Your retirement or separation from service.
- Your failure to make a scheduled payment by the end of the grace period as defined in the loan application.
- Your failure to repay the entire principal amount plus interest before the loan's maturity date.
- Your failure to comply with the terms of the loan application.

7. What happens to your Accounts if you die before receiving your Account under the Fund?

If you are married when you die, your surviving Spouse will automatically receive payment of your vested Account Balances. You may designate someone other than your Spouse to receive your vested Account Balances if your Spouse consents to the designation. If you are not married, your designated Beneficiary will receive your vested Account Balances. If you did not name a Beneficiary or your Beneficiary did not survive you, the Plan will pay your vested Account Balances to your estate. The benefit will be paid as soon as practical after your death.

Each Beneficiary designation will become effective only when it is entered on the Fund's records and then will take effect as of the date on the designation, as long as the Fund has not made payment or taken other action before entry on its records was made. Any designation or revocation received by the Trustees after the Participant's death (or after the eligible Spouse's death if applicable) is invalid.

A Beneficiary also may be designated by an entered court order, provided that the order contains a clear designation of rights. The designation will become effective only when it is entered on the Fund's records and then will take effect as of the date the order was executed, as long as the Fund has not made payment or taken other action before the entry on its records was made. A Beneficiary designation in a court order meeting the above requirements will supersede any prior or subsequent conflicting Beneficiary designation that is filed with the Fund Office.

A Beneficiary may waive his or her rights as a Beneficiary under the Fund in an entered court order, provided that the order contains a clear waiver of rights. The waiver will become effective only when it is entered on the Fund's records and then will take effect as of the date the order was executed, as long as the Fund has not made payment or taken other action before the entry on its records was made. A waiver in a court order meeting the above requirements will supersede any prior conflicting Beneficiary designation that has been filed with the Fund Office. If a court order meeting the above requirements

contains a waiver of rights by the Beneficiary on file with the Fund Office, and you subsequently die without naming a new Beneficiary, then the Fund may pay any benefits on your behalf as though you died without designating a Beneficiary.

The Trustees are the sole judges of the effectiveness of the designation, change or waiver of a Beneficiary pursuant to this Section.

E. TERMINATION AND REINSTATEMENT OF PLAN PARTICIPATION

1. Can you stop or suspend your participation in the Plan?

You may stop or suspend your Employee Contributions to the Fund by giving written notice to your Employer and the Fund Office at least one month before the beginning of the pay period for which the suspension is to be effective. Once your Employee Contributions have been suspended, you may restart your Employee Contributions only by completing a new enrollment form and sending it to the Fund Office. Please note that, once your Employee Contributions have been suspended, you must wait at least six months from the date of suspension before again enrolling in the Fund. Further, any Employer Matching Contributions being made to the Fund on your behalf will be suspended during any period of suspension of your Employee Contributions.

2. Can a former Participant be reinstated under the Plan?

Yes. If you leave Covered Employment with an Employer and begin a new job in Covered Employment with another Employer, or return to Covered Employment with your previous Employer without any break-in-service, you will be eligible to participate in the Plan immediately. A break-in-service is a period of 31 or more days before you start working for the new Employer.

F. CLAIMS PROCEDURES

1. How do you make a claim for benefits under the Plan?

If you wish to apply for benefits, you should notify the Fund Office in writing, at least sixty (60) days before you intend to retire. Simply provide your name and explain the circumstances surrounding the claim. The Fund Office will provide you or your family with the required forms, will request further information if it is needed, and will make a determination as to the validity of the claim and notify you in writing of its decision. (See Section 5 of this SPD for more information on filing a claim for benefits.)

SECTION 4
PROCEDURES FOR DETERMINING
THE QUALIFIED STATUS OF A DOMESTIC RELATIONS ORDER

The Fund is required to comply with certain qualified court orders (or judgments, decrees or approved property settlements), called Qualified Domestic Relations Orders, requiring distribution of your benefits under the Fund to an Alternate Payee in order to meet your alimony, marital property rights or dependent support obligations.

When the Fund Office receives any judgment, decree, or order (including approval of a property settlement agreement) that requires the Fund to pay benefits to an Alternate Payee pursuant to a state domestic relations law, the Fund will notify you and the Alternate Payee of the receipt of that judgment and the procedures for determining whether it is a Qualified Domestic Relations Order ("QDRO"). You can request a copy of the Fund's QDRO procedures at any time from the Fund Office.

An Alternate Payee means any Spouse, former Spouse, child, or other dependent of a Participant recognized by a domestic relations order as having a right to receive all, or a portion of, the benefits payable under the Fund. To the extent provided in a QDRO, the former Spouse of a Participant can be treated as the surviving Spouse if the former Spouse and Participant were married for at least one year as of the date of divorce.

If you are a party to a QDRO, you should provide a copy of the QDRO to the Fund Office as soon as it is entered by the court. The Fund Office also strongly recommends that you send a copy of any draft QDRO to the Fund Office for review before it is entered by a court. The Fund Office will review the order and tell you whether the Fund would honor the order as a QDRO. This step will save you money and time.

SECTION 5
CLAIM AND APPEAL PROCEDURES

Application for all benefits must be made in writing on forms obtained from the Fund Office. You may request such forms by writing, telephoning or visiting (during the hours of 8:30 a.m. to 4:30 p.m. on regular business days) the Fund Office. The address is:

UFCW Local One 401(k) Savings Fund
5911 Airport Road
Oriskany, N.Y. 13424
Phone # (315) 797-9600

Denial of a Claim

If your claim for benefits results in an adverse benefit determination, in whole or in part, you will receive a written explanation of the reason(s) it was denied usually within 90 days after your claim has been received by the Fund Office. If additional time of up to 90 days is required because of special circumstances, you will be notified in writing of the reason for the delay, and the date that the Fund expects to issue a final decision. A decision will be made with respect to your claim no more than 180 days from the date your claim is first filed with the Fund Office.

If your claim is denied, you will receive a written explanation that contains the following information:

- a. the specific reason for the denial;
- b. reference to the specific provision of the plan document or rule on which your denial is based;
- c. a description of additional materials you would need to perfect your claim and an explanation of why we need this material;
- d. the steps you must take if you want to have your denied claim reviewed, including the amount of time you have to do this; and
- e. your right to bring an action under ERISA if you decide to appeal and that appeal is denied.

Appeal Procedure

You can appeal the claim denial directly to the Board of Trustees. If you decide to appeal, you must make written request for a review within 60 days after you receive written notice that your claim has been denied. You should include in your written

appeal all the facts regarding your claim as well as the reason(s) you feel the denial was incorrect. You will receive, if you request it, reasonable access to and free copies of documents relevant to your claim. You may submit issues and comments in writing, and documents, relating to your claim.

You may name a representative to act on your behalf. To do so, you must notify the Fund in writing of the representative's name, address, and telephone number. You may, at your own expense, have legal representation at any stage of these review procedures. Regardless of the outcome of your appeal, neither the Board of Trustees nor the Fund will be responsible for paying any legal expenses which you incur during the course of your appeal.

The Board of Trustees, in making its decisions on claims and on appeal, will apply the terms of the Plan document and any applicable guidelines, rules and schedules, and will periodically verify that benefit determinations are made in accordance with such documents, and where appropriate, applied consistently with respect to similarly situated claimants.

Who Decides Appeals

Claims denied on the basis of the Fund's rules are reviewed by the Board of Trustees. You must send your request for review (appeal) to:

Board of Trustees
UFCW Local One 401(k) Savings Fund
5911 Airport Road
Oriskany, N.Y. 13424

How Long the Review Takes

When the Board of Trustees reviews your claim, it will take into account all information you submit in making its decision. Not later than sixty (60) days after it receives your written appeal, the Trustees shall issue a written decision reaffirming, modifying or setting aside the denial. However, if specific circumstances so dictate, the decision by the Board of Trustees may be made within one hundred twenty (120) days after receipt of the request for review upon notice to you of the special circumstances within the initial sixty (60) day period. The decision on review shall be in writing. If the Board of Trustees denies the appeal, the notice of denial will contain the specific reasons for the decision, specific references to the plan provisions on which the decision was based, notice that you may receive, upon request and free of charge, reasonable access to and copies of all documents and records relevant to your application, and a statement of your right to bring a lawsuit under ERISA. A decision by the Board of Trustees is final and binding.

You must exhaust these administrative remedies before you bring a lawsuit under ERISA. The Board of Trustees has the power to interpret, apply, construe, and amend

the provisions of the Plan and make factual determinations regarding its construction, interpretation and application, and any decision made by the Board of Trustees in good faith is binding upon Employers, Employees, Participants, Beneficiaries, and all other persons who may be involved or affected by the Plan.

SECTION 6

YOUR RIGHTS UNDER ERISA

As a Participant in this Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants shall be entitled to:

- A. Receive information about your Plan and benefits and examine, without charge, at the Plan Office and at other specified locations, such as Union halls and worksites, all Plan documents, 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 Employee Benefits Security Administration. The Trustees may make a reasonable charge for copies.
- B. Receive a summary of the Plan's annual financial report. The Trustees are required by law to furnish each Participant with a copy of this summary annual report.
- C. Obtain a statement of your Account Balances under the Fund. This statement must be requested by you in writing and it is not required to be given more than once a year.

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the 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 the other Plan Participants and Beneficiaries.

No one, including your Employer, your Union, or any other person, may terminate your Employment (or otherwise discriminate against you in any way) to prevent you from obtaining a benefit or exercising your rights under ERISA.

If your claim for a benefit is denied or ignored, 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 to appeal any denial, all within certain time schedules. 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.

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 Trustees to provide the materials 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 Trustees. 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 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 these costs and fees, for example, if it finds your claim is frivolous.

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 Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security 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 publications hotline of the Employee Benefits Security Administration.

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