PENSION PLAN FOR AGRICULTURAL EMPLOYEES
OF MEMBER EMPLOYERS OF THE
CALIFORNIA GROWER FOUNDATION

SUMMARY PLAN DESCRIPTION
("SPD")

PENSION PLAN COMMITTEE ("COMMITTEE")

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BOARD OF DIRECTORS OF
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WM YEE ACTUARIAL CONSULTING

If, after reading this Summary Plan Description, you believe that you meet the requirements to become a participant or to receive benefits and you have any questions about your benefits or rights, please obtain additional information from your Employer or contact the bilingual staff at the Foundation Office.

1/2012

**PENSION PLAN FOR AGRICULTURAL EMPLOYEES
OF MEMBER EMPLOYERS OF THE
CALIFORNIA GROWER FOUNDATION**

SUMMARY PLAN DESCRIPTION

We are pleased to present to you a Summary Plan Description of your retirement plan, the Pension Plan for Agricultural Employees of Member Employers of the California Grower Foundation. This Plan was originally adopted effective April 17, 1972, and was most recently amended effective January 1, 2011.

The purpose of this Summary is to help you understand your rights and benefits under the Plan.

There is also a Table of Contents on page iii to help you find a discussion of specific provisions of the Plan.

However, **THIS SUMMARY PROVIDES ONLY GENERAL INFORMATION ABOUT THE KEY FEATURES OF YOUR PLAN AND DOES NOT REPLACE THE FORMAL LEGAL DOCUMENTS THAT GOVERN THE PLAN. THEREFORE, ALTHOUGH EVERY EFFORT HAS BEEN MADE TO PRESENT ACCURATE INFORMATION, THE TERMS OF THE ACTUAL PLAN DOCUMENTS WILL GOVERN IF THERE IS ANY INCONSISTENCY BETWEEN THIS SUMMARY AND THOSE DOCUMENTS**.

Translation

The Spanish translation of this Summary is provided for your convenience only. If there is a discrepancy between the Spanish and English version of this Summary, the English version will govern.

HIGHLIGHTS OF THE PLAN

Lifetime Income: This Pension Plan is designed to provide you with a monthly income for your life after you retire.

Benefit Amount: Your retirement benefit equals your accrued benefit under the Plan which is based on the length of your service and your wages.

Benefit Payment: If you retire on or after age 65, you normally will be paid a monthly benefit for your lifetime, or for the joint lifetimes of you and your spouse on a reduced basis. You may retire early after age 55 and 5 Years of Service. However, if you elect to begin receiving your retirement benefit before age 65, the amount will be reduced to reflect the likelihood that you will receive those payments over a longer remaining life span.

Spousal Protection: The Plan offers payment options that may provide a monthly survivor benefit to your eligible spouse.

Vested Benefit: If you leave the service of Member Employer(s) for any reason and you have been credited with at least 5 Years of Service, you will have a 100% vested right (non-forfeitable right) to your accrued benefit under the Plan. If you leave before completing 5 Years of Service, you may forfeit all or part of your accrued benefits.

Forfeiture: If you are vested and wish to avoid forfeiture of your benefits, you must advise the Committee when you have permanently stopped working for Member Employers and keep the Committee informed of your current address.

Cost: Your employer pays the entire cost of the Plan.

Member Employer: A Member Employer is an employer who is a member of the California Grower Foundation and has agreed, by contract, to contribute to the Plan.

** ** ** ** ** ** ** **

If you have any questions about the Plan or this Summary, including how to request payment of your benefits, the bilingual staff at the California Grower Foundation Office and the Committee will be glad to help you.

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I. GENERAL INFORMATION ABOUT THE PLAN

Name of Plan:	Pension Plan for Agricultural Employees of Member Employers of the California Grower Foundation (the "Plan")
Former Name of Plan:	Pension Plan for Agricultural Employees of Member Employers of the California Winegrower Foundation (from April 17, 1972 to December 31, 1975)
Type of Plan:	Defined benefit pension plan
Plan Sponsor and Administrator; Agent for Service of Legal Process	California Grower Foundation (the "Foundation") 176 Main Street, Suite C St. Helena, California 94574 (707) 963-7191
Identification Number of Plan Administrator:	94-2166265
Internal Revenue Service Number of Plan:	333
Effective Date of Plan:	April 17, 1972
Plan Year:	January 1 to December 31

II. JOINING THE PLAN

Q-1. Am I eligible to participate in the Plan?

You are eligible to participate in the Plan if you meet any one of the conditions described at paragraphs 1, 2 or 3 and you also meet the conditions under both paragraphs 4 and 5:

1. You are employed by a Member Employer and your duties are primarily agricultural in nature;

2. You are employed by California Grower Foundation; or

3. Your employer's contract with the Foundation provides for your participation.

AND

4. You are not a sole proprietor or partner of a Member Employer. (However, you would still be eligible to participate in the Plan to the extent that contributions are made on your behalf as an agricultural employee of another Member Employer who has agreed to contribute to the Plan. Your employer will give the Foundation reports of your earnings); and

5. You are not an independent contractor or leased employee.

Q-2. When do I become a Participant in the Plan?

If you were hired on or after August 1, 2004, you will become a participant **six months after** the later of the dates described at A and B below.

A. The first day of the month after your total earnings from your Member Employer(s) reach $4,000; or

B. The first day of the 13th month after you are hired and have any earnings from your Member Employer.

However, if you are not receiving earnings from your Member Employer in that sixth month when your participation otherwise would begin, then your participation will begin immediately when you return to employment and again have earnings from your Member Employer.

If you were hired before August 1, 2004, please consult your copy of the prior SPD or contact the bilingual staff at the Foundation Office.

If you were already a participant before August 1, 2004, you will continue to be a participant unless you no longer meet the requirements for eligibility described at Q-1 above.

Example:

Assume you were hired by a Member Employer in August, 2004 to perform agricultural duties during harvest. You earned a total of $5,000 in 2004. You return to work in August 2005. You, therefore, would become a Participant in the Plan on September 1, 2005.

Q-3. When does my participation in the Plan end?

Your participation may end under any of the following circumstances:

1. You reach your Early Retirement Age (defined at Section V, Q-2) and do not return to work for a Member Employer;

2. You reach your Normal Retirement Age (defined at Section V, Q-1) and do not return to work for a Member Employer;

3. Your death; or

4. You have a **Break in Service** (defined at Section VII, Q-4) and do not return to work for a Member Employer.

III. HOW BENEFITS ARE CALCULATED

Q-1. How are my benefits calculated?

Your benefit is based on your years of participation in the Plan and your eligible earnings from all Member Employers who contribute to the Plan.

For every $1,000 of wages you are paid by any Member Employer(s) during each Plan Year, beginning July 1, 2008, you will earn an annual retirement benefit of $7.50, payable at your Normal Retirement Age (age 65).

For every $1,000 of wages you are paid by any Member Employer(s) during each Plan Year, beginning before July 1, 2008, you already have earned an annual retirement benefit of $12.50, payable at your Normal Retirement Age. In addition, for every $1,000 of wages you were paid by any Member Employer(s) during Plan Years 1972 through 1987, you already have earned an additional annual retirement benefit of $12.50, payable at your Normal Retirement Age.

When calculating your benefit, all earnings will be rounded down to the next lower $1,000. The maximum amount of annual compensation that may be used to determine your benefit is limited to $100,000.

If you did not earn at least $1,000 in any Plan Year after December 31, 1986, but you were eligible for Early Retirement on January 1, 1988, and had not been paid the single sum value of your retirement benefit as of January 1, 1988, then your earned retirement benefit credits, as of January 1, 1988 will be doubled.

In addition, under certain circumstances your Plan benefit may be increased to meet the Top Heavy minimum benefit requirements of the Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"). You will be notified if your Plan benefit is so affected.

Q-2. How are my Earnings calculated?

Your earnings (or wages) include all amounts paid to you during the Plan Year (up to $100,000) by one or more Member Employer(s) for work you perform while you are a participant. It includes base pay, bonuses, overtime, severance, employee deferrals into a 401(k) or cafeteria plan and, for Plan Years after 1994, vacation pay.

IV. WHEN BENEFITS ARE PAID

Q-1. Can I receive my benefits before I permanently terminate my employment with a Member Employer?

No.

Q-2. When will I receive my benefits?

The Plan is intended to provide you with benefits during your retirement years. Therefore, benefits normally will begin soon after you reach age 65, unless you continue working for a current Member Employer. However, if you permanently stop working for Member Employer(s), benefits may begin earlier (see Q-3 below).

Q-3. What if I stop working for Member Employer(s) before age 65?

If you permanently stop working for any current or former Member Employer, you may request that your payments begin before age 65. If payments do begin before age 65, they will be reduced to take into account the fact that you are starting your payments early and will be receiving them over a potentially longer period of time. However, if you terminate employment and are eligible for a lump sum payment before age 65, you must wait at least one year after you terminate employment before payment will be made, unless the reason for your termination is your **Disability** (See Section V, Q-3 for the definition of Disability) or you are age 62 or older. For more information about eligibility for lump sum distributions, see Section VI, Q-1.

Q-4. What if I continue to work for a Member Employer after age 65?

If you remain employed with a Member Employer beyond age 65, you will be entitled to 100% of your Normal Retirement Benefit. Your benefit, however, will take into account the legal requirement that you continue to earn or "accrue" benefits past age 65. Benefit payments will begin as soon as practicable after you retire, as long as you request payment and fill out the appropriate forms.

To start the payment process, you should contact the Committee in writing or by telephone.

Q-5. How long can I wait before I **must** receive my benefits?

If you continue to work for a Member Employer beyond age 65, you need not receive your benefits until April 1st of the year following the year in which you retire.

If you retire or permanently stop working for a Member Employer at any time before age 70½, then your payments must begin by April 1st of the year following the year in which you reach age 70½.

If you reached age 70½ before January 1, 2003, you had to begin payment by April 1 of the year following age 70½.

If you fail to start payments on time, you will be subject to substantial penalties. Therefore, you should make every effort to contact the Committee as soon as you retire or permanently stop working for a Member Employer.

V. WHAT BENEFITS ARE PAID

Q-1. What benefit will I receive from the Plan if I retire on or after my Normal Retirement?

If you stop working on or after your Normal Retirement Age, you are eligible to receive your **Normal Retirement Benefit** beginning on the first day of the month after you stop working.

Your Normal Retirement Age is 65.

Your **Normal Retirement Benefit** is the total of each year's credit, as described at Section III, from the later of the time you begin work or from the date your employer became a Member Employer (or from April 17, 1972, if you began your employment before that date) until your Normal Retirement Age or the date you actually retire, if later. Normally this annual benefit will be divided by 12 and paid to you on a monthly basis. Retirees already receiving monthly benefit payments on January 1, 1988 will receive increased benefit payments as described at Section III.

Q-2. What benefit will I receive from the Plan if I retire on or after my Early Retirement Age but before age 65?

If you stop working after your Early Retirement Age but before your Normal Retirement Age, you may request an **Early Retirement Benefit** at any time. If you wish to retire early, you must send a written request to the Committee no earlier than 90 days before the date you wish to retire. You may indicate the first day of any month following your date of termination or the date you send the request as the month in which you wish to begin receiving your pension benefits. Contact the Committee for the early retirement request forms. If you begin receiving **Early Retirement Benefits** and are reemployed by a Member Employer before your Normal Retirement Age, your benefits will be suspended.

Your Early Retirement Age begins when you are 55 or have 5 Years of Service, whichever is later, and continues until you reach age 65.

Your **Early Retirement Benefit** is the total of each year's credit, as described at Section III, from the time you begin work until your Early Retirement Age. This benefit is payable to you without reduction beginning at your Normal Retirement Age. However, if you elect to receive benefits before your Normal Retirement Age, you will receive a smaller amount per month since you are likely to be paid benefits for a longer period of time.

The smaller amount is the total of each year's credit reduced by ½% for each month your payments begin before age 65.

Q-3. <u>What benefit will I receive from the Plan if I retire due to Disability?</u>

If you stop working before Early Retirement Age due to a **Disability**, you may request a **Disability Retirement Benefit** at any time.

Your **Disability Retirement Benefit** is the total of each year's credit, as described at Section IV, from the time you begin work until your **Disability**. This benefit is payable to you without reduction beginning at your Normal Retirement Age. However, if you elect to receive benefits before your **Normal Retirement Age**, you will receive a smaller amount per month since you are likely to be paid benefits for a longer period of time.

The smaller amount is the total of each year's credit reduced by ½% for each month your payments begin before age 65.

Disability means that you are permanently incapable of performing any duties for any of the Member Employers, by reason of a physical or mental illness, which results in termination of your employment. In addition, the Committee requires you to submit proof of your total disability within 12 months from the date your employment is terminated. The Committee will determine that you have suffered a total disability if the Social Security Administration determines that you are eligible to receive disability benefits under Title II of the Federal Social Security Act.

Q-4. <u>What benefit will I receive from the Plan if I permanently stop working before my Early or Normal Retirement Age but after vesting in my benefits (See Section VII for a discussion of vesting)?</u>

If you permanently stop working for a current or former Member Employer before you reach Early or Normal Retirement Age or before Disability, but after you are vested, you may elect to receive your vested benefit at any time as long as it is before age 70½.

Your termination benefit is the total of each year's credit, as described in Section III, from the time you begin work until the time you terminate your employment. This monthly benefit is payable to you without reduction beginning at your Normal Retirement Age (age 65). If you elect to receive benefits before your Normal Retirement Age, the monthly payments will be reduced, as described in Q-3 of Section IV.

If you are eligible for and elect to receive a lump sum, payment will be made only after a full year has passed in which no contributions to the Plan have been made on your behalf, unless the reason for your termination is your Disability or you are over age 62. In addition, if the single sum value of your benefit is less than $1,000, and you fail to request a distribution, then the Committee will pay you your vested rights under the Plan in a lump sum payment as soon as practical after you terminate employment.

Q-5. <u>How do I apply for benefit payments?</u>

To start the process, you should contact the Committee in writing or by telephone.

Q-6. <u>Can I lose my benefits if I die before I receive them?</u>

You will lose your benefits if you die under any of the following circumstances:

- If you die before you are vested, no death benefits are payable.

- If you retired or permanently stopped working for a Member Employer between 1972 and 1995 and were not married at that time, no death benefits are payable.

- If you retired or permanently stopped working for a Member Employer any time after 1995 <u>and</u> you die on or after January 1, 2005 <u>and</u> you do not have a surviving spouse <u>and</u> you do not designate your surviving children as beneficiaries, no death benefits are payable.

- If the Committee is unable to locate your spouse or designated beneficiary, death benefits may not be payable. **It is therefore important to keep the Committee informed of current addresses for your spouse and your beneficiaries.**

Q-7 <u>What happens if I or my beneficiary is incapacitated or my beneficiary is a minor?</u>

If you or your beneficiary is incapacitated for any reason or if your beneficiary is a minor, payment of your benefits may be made to a court appointed guardian or other person so authorized under state law.

Q-8. <u>Are there ever death benefits available for my spouse or children?</u>

Yes. Death benefits are available if they are not forfeitable under this Section V, Q-6 <u>and</u> one of the following circumstances applies:

- If you die on or after January 1, 2005 before benefit payments have begun and you are married at your death, your surviving spouse automatically is entitled to a death benefit, <u>unless</u> you instead designate one or more of your children, including adopted children, to receive those death benefits <u>and</u> your spouse consents to that designation in writing and witnessed by a notary. If your spouse is entitled to the death benefit, he or she must choose between (1) an immediate lump sum payment, if available, equal to 100% of the value of your retirement benefit or (2) an annuity payable for his or her life. The lump sum option must be elected, in writing, no later than 90 days after receiving a description of the payment options from the Committee. If the lump sum election is not timely made, your spouse will receive a life annuity payable over his or her lifetime. Payments under the life annuity will begin on the date he or she elects. If the starting date is deferred beyond the 90 day period following your death, your spouse will be responsible for advising the Committee when payments are to begin and for keeping the Committee informed of his or her current address.

- If you die on or after January 1, 2005 and at that time you either are not married or your spouse has predeceased you, you may designate one or more of your children, including adopted children, to receive a death benefit equal to 100% of the value of your retirement benefit and payable as a lump sum, if available, or as an annuity if a lump sum is not available.

- If you die after your benefit payments have begun but before they have been paid in full, whether and how payments will continue will depend on the form of payment you were receiving at your death. For example, if you were receiving payments in the form of a single life annuity, all payments will cease at your death. If you were receiving payments in the form of a qualified joint and survivor annuity, payments will continue to your surviving spouse. See Section VI, Q-3 for more details about the qualified joint and survivor annuity.

All death benefits are calculated based on the actuarial equivalent of a single life annuity.

For additional information about your death benefits, please contact the bilingual staff at the Foundation Office.

Q-9. <u>How long after I terminate employment or retire can I wait before requesting benefit payments?</u>

If you become entitled to benefits under the Plan for any of the reasons described above, you may <u>not</u> postpone receipt of those amounts beyond age 70½ or when you retire, whichever is later.

Q-10. <u>What happens if I start receiving benefits and then am rehired?</u>

If you are rehired by a Member Employer after you started receiving your monthly benefit payments, those payments will be suspended until you again terminate employment or retire. Your future benefit payments will be adjusted to take into account your additional service.

Q-11. <u>What happens if the Plan is terminated?</u>

If the Plan is terminated and you are an active participant at that time, your benefits generally will be paid to you as soon as practical, after all required actions are taken by the Committee. Payment will be made either in the form of an annuity purchased from an insurance company or in an alternative form of distribution permitted by the Plan.

VI. HOW BENEFITS ARE PAID

The Plan is designed to provide you with supplemental income during your retirement. The form of payment depends on your marital status, the amount of your benefits and the distribution choices you make.

At the time you become entitled to receive benefits, you will receive all the facts you will need to help you decide on the form of pension benefit payable, including a comparison among the available benefit forms.

Q-1. How are my benefits paid?

The normal form of payment of any retirement benefit under the Plan is expressed as an annuity that provides monthly payments. The amount and duration of those monthly payments depends on whether you are single or married.

The payment methods described at Q-2 through Q-4, below, are subject to the following special rules:

1. Effective June 1, 2009, lump sum payments are no longer available unless (a) or (b), below, applies:

   (a) Your total vested benefits are $5,000 or less; or

   (b) Your benefits were earned on or before May 31, 2009 and those benefits are not paid during a "Restricted Period."

2. A Restricted Period is determined under special tax rules. You will be notified if you are affected by this rule. Or, if you wish to learn more about this rule, you may contact the Committee in writing or by telephone.

Q-2. How are my benefits paid if I am single?

If you are single and the value of your benefits is more than $1,000, you will receive a single life annuity payable over your lifetime, unless you are eligible for and elect a lump sum payment.

Q-3. How are my benefits paid if I am married?

If you are married at your date of retirement and the value of your benefit is more than $1,000, you will receive a qualified joint and survivor annuity, unless you, with your spouse's written and notarized consent, elect payment in the form of a life annuity or, if available, a lump sum. The joint and survivor annuity provides a monthly pension to you during your lifetime and a death benefit to your spouse for his or her remaining life. In order for payments to continue to your surviving spouse after your death, the amount payable to you during your lifetime is reduced, and at your death, your spouse receives a monthly benefit equal to half of the amount that you were receiving.

<u>Example</u>:

John is commencing his retirement benefit at age 65, his normal retirement age. His wife will be 62 years old at his date of retirement.– If paid as a life annuity, John would receive a benefit of $200 per month, payable for the remainder of his life only. If paid as a qualified joint and survivor annuity, John's monthly benefit would be $176 per month for the remainder of his life. Upon his death, his wife would receive a monthly benefit of $88 (50% of the $176 John received).

<u>Q-4. Can I receive my benefits in a lump sum instead of an annuity?</u>

Lump sums are available under limited circumstances. For more information about lump sum payments, see Q-1 of this Section VI.

If you are single, you may waive the single life annuity form of payment <u>only if</u> you consent to that waiver.

If you are married, you may waive the joint and survivor annuity form of payment <u>only if</u> both you and your spouse consent to that waiver.

A waiver is valid only if it is in writing, witnessed by a notary and timely delivered to the Committee.

Whether you are single or married, you may waive the annuity form of benefit only before your benefits begin. **Once your pension benefits start, you cannot change your election.**

The amount of the single cash payment is based on the actuarial equivalent of the annuity form of payment which depends on the applicable interest rates in effect at the time of your retirement. However, if you request payment of benefits within twelve months of terminating employment, the single cash payment will be calculated using the larger of the Plan factors in effect as of January 1 of the year in which you terminate employment, and the Plan factors in effect as of January 1 of the year in which you receive the single cash payment. You should be aware that interest rates can be volatile, and rates used to calculate the value of lump sum payments are subject to change annually.

<u>Example</u>:

If John's benefit (see example in previous question) was paid in the form of a lump sum payment, he would receive a single cash payment based on the actuarial equivalent for the date of payment. Following are examples John's approximate benefit payable at various retirement ages.

Age at Benefit Commencement	**Lump Sum Payment**
40	$8,032
50	$13,070
60	$21,706
65	$28,644

Q-5. How do I apply for benefits?

If you permanently stop working for Member Employer(s) after age 65, you will receive a general description of the payment options available to you and the amount of payment under each option. After you receive these materials, you will have 180 days in which to elect a method of payment. If you do not elect a payment method, benefits will begin in the normal form (see Q-2 and Q-3 of this Section VI above) as soon as practical after you reach age 65, provided the Committee has a current address and can locate you.

If you stop working permanently for Member Employer(s), the Committee will make every effort to inform you of your eligibility for benefits. However, you are responsible for notifying the Committee that you have stopped working permanently and requesting payment.

VII. VESTING

Q-1. What is "vesting?"

Vesting means ownership. It describes an absolute right to receive the benefits you have accrued under the Plan, even if you are no longer employed by a Member Employer.

Q-2. When do I become vested in benefits I have accrued under the Plan?

You become fully vested in the benefits you have accrued under the Plan only if you meet one of the following conditions:

- You complete 5 **Years of Service** without having an intervening Break in Service; or

- You meet the conditions described in Section IV, Q-4.

Q-3. What is a Year of Service?

Effective August 1, 2004, a "Year of Service" is a Plan Year in which you have earnings from one or more Member Employer(s) equal to at least $4,000. You will be credited with only one Year of Service during any Plan Year.

For the definition of Year of Service before August 1, 2004, please consult your copy of the prior version of the SPD or contact the bilingual staff at the Foundation Office.

If the Member Employer(s) you work for withdraw from the Plan, your service for that Employer will not count as a Year of Service after that withdrawal.

Under the Uniformed Services Employment and Reemployment Rights Act of 1994, certain military service also may be counted as a Year of Service. If you think you may be affected by this law, you should ask the Committee for more details.

Q-4. What is a Break in Service?

Effective August 1, 2004, a "Break in Service" is five consecutive Plan Years (January 1 to December 31) during each of which you earn less than $4,000 from Member Employers.

For the definition of Break in Service before August 1, 2004, please consult your copy of the prior version of the SPD or contact the bilingual staff at the Foundation Office.

Q-5. When can my benefits be forfeited?

Your benefits will be forfeited if you terminate employment with your Member Employer(s) before you complete 5 Years of Service or reach your Normal Retirement Age.

If you have not completed at least five Years of Service before you incur a Break in Service, then your Years of Service before your Break in Service will not be counted.

Q-6. Can my benefits ever be forfeited even if I have completed 5 Years of Service?

Yes. See Q-3 and Q-4 under Section VIII ("CIRCUMSTANCES THAT MAY AFFECT YOUR BENEFITS").

VIII. CIRCUMSTANCES THAT MAY AFFECT YOUR BENEFITS

Q-1. Can the Plan be terminated?

Although it is intended that the Plan continue indefinitely, there may be reasons, including business conditions, changes in the law or other circumstances that may make it either impossible or inadvisable to continue the Plan. Therefore, the Plan may be amended, modified or terminated, in whole or in part, at any time.

If the Plan is terminated or partially terminated and you are affected by that termination, you will become fully vested in your accrued Plan benefits even if you did not meet the conditions for vesting described above.

Q-2. Can the Plan be amended?

Yes. The Plan may be amended at any time. While the Plan may reduce future benefits, it may not reduce benefits you already have accrued.

Q-3. What happens if the Committee cannot locate me?

The Committee will make every effort to find you at the time you become eligible for payment of your benefits. If the Committee is unable to locate you within 6 years or when you reach age 65, whichever is earlier, your benefits may be forfeited. **To ensure that you do not forfeit your benefits, you should keep the Committee informed of your current address.**

Q-4. What happens if I do not have a valid Social Security Number?

If you do not have a valid Social Security Number, you may apply to the IRS for a non-Social Security taxpayer ID number. If you do not have either, you may forfeit your benefits after six years following your termination of employment or when you reach age 65, if earlier.

Q-5. Are benefits under the Plan insured?

Yes. If the Plan terminates, some or all of the benefits are insured by the Pension Benefit Guaranty Corporation ("PBGC").

Generally, the PBGC guarantees most vested normal retirement benefits, early retirement benefits, and certain survivor's pensions. However, the PBGC does not guarantee all types of benefits, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date of Plan termination. However, if benefits have been increased within the 5 years before Plan termination, the benefit increase may not be guaranteed. In addition, there is a ceiling on the amount of monthly benefit that PBGC guarantees, which is adjusted periodically. For more information on PBGC insurance protection and its limitations, you may contact the Committee or the PBGC. Inquiries to the PBGC should be addressed to the office of Communications, PBGC, 2020 K Street NW, Washington, DC 20006. The PBGC Office of Communications also may be reached by calling (202) 778-8840.

In addition, a special rule may apply to certain groups of employees, which could limit their benefit payments. You will be notified if you are affected by this special rule.

Q-6. Can I use my Plan benefits as collateral for a loan?

Generally, your benefits under the Plan may not be sold, used as collateral for a loan, given away or otherwise transferred. Also, your creditors may not attach, garnish or otherwise interfere with your benefits under the Plan.

However, the Plan may be required by law to pay from the Plan certain obligations that you incur resulting from court-ordered child support or alimony under a "QDRO."

Q-7. Can I or must I use my Plan benefits to pay spousal or child support?

Yes. While ERISA generally protects Plan benefits against creditors, qualified domestic relations orders are an exception. A qualified domestic relations order is a court order that creates or recognizes the right of your spouse, former spouse, child or other dependent ("alternate payee") to receive part or all of your Plan benefits. Such an order can force payment of your benefits to an alternate payee but not before you otherwise would be eligible to receive those payments yourself and only in the form of a lump sum, if available, or single life annuity.

The Committee must notify you if the Plan receives a domestic relations order and must also determine, within a reasonable time, if the order is qualified. You and each alternate payee will be notified of the decision. In the interim, the benefits affected may be held in a separate account or separately accounted for. The Committee will provide you and the alternate payee under the Plan a copy of the procedures that it will follow on receiving a domestic relations order.

Q-8. What about Social Security?

Your Pension Plan was designed to supplement the basic benefits provided under Social Security. Therefore, this Plan will not affect your right to any Social Security benefit to which you are entitled. Both you and your employer contribute towards those benefits by paying Social Security taxes.

Social Security benefits depend, in general, on the average monthly earnings on which you have paid Social Security taxes. Full benefits begin between age 65 and 76, depending on your year of birth, but a reduced benefit can be paid at any time after age

62. In addition, your spouse may be entitled to receive a spouse's benefit equal to ½ of your benefit, at age 65. If your spouse has been working, he or she may be entitled to a larger benefit based on his or her own earnings instead of a spouse's benefit. More information about Social Security is available at the Social Security office nearest you. You should contact that office at least 180 days before you become eligible for Social Security benefits.

Q-9. Does my participation in the Plan guarantee my employment?

No. The Plan should not be considered an employment contract between you and your employer. It does not guarantee you the right to be continued in your employer's employment, nor does it limit your employer's right to discharge you. On your termination of employment, you will have the right only to the benefits to which you are entitled under the Plan.

IX. PAYING TAXES

Q-1. What is the tax treatment of a lump sum payment?

If you or your beneficiary receives a lump sum distribution, the Plan is required to withhold 20% of the amount of your distribution unless:

- you move to a new employer that sponsors a qualified plan that accepts direct plan-to-plan transfers, and you authorize the Committee to transfer 100% of your distribution directly to your new employer's plan; or

- you authorize the Committee to transfer your distribution directly to an IRA you have established to receive your benefit.

Under Federal law, income taxes will be withheld if you receive your pension payments in monthly instalments, unless you specifically elect otherwise in writing. If you elect not to have amounts withheld from your monthly payments, or you do not have enough Federal income tax withheld, you may be responsible for payment of estimated taxes and, possibly, additional penalties.

In addition, you may pay an additional 10% tax if you do not roll your payment over to an IRA or another qualified plan unless:

- you are at least age 59½;

- you terminate employment at age 55 or older;

- you are disabled (within the meaning of Internal Revenue Code section 72(m)(7)), or

- your payment is part of an annuity.

Whenever you are to receive a distribution, the Committee will give you a more detailed explanation of the various tax consequences. However, the rules that determine whether you qualify for favorable tax treatment are very complex. We therefore strongly suggest that you consult a tax advisor before making your decision.

X. OTHER IMPORTANT PLAN INFORMATION

Q-1. Who administers the Plan?

The Plan is administered by a Pension Plan Committee appointed by the Board of Directors of the Foundation. The Committee establishes rules for the administration of the Plan and the transaction of its business. It also makes decisions concerning who is entitled to benefits under the Plan, and the amounts of those benefits. Correspondence to the Committee about the Plan, including service of legal process, may be addressed to the Pension Plan Committee at 176 Main Street, Suite C, St. Helena, CA 94574.

Q-2. Do Member Employers pay the entire cost for the benefits provided under this Plan?

Yes. **This means that nothing comes out of your paycheck to pay for your benefits under the Plan.** Each year your Employer will be required to contribute an amount to the Plan which is actuarially determined. The amount of the contribution may vary from year to year, depending on, for example, participant turnover, benefit payments, and investment gains or losses of the trust fund. The law requires that an independent professional, called an "enrolled actuary," certify that the Employer is meeting minimum funding requirements. If an Employer fails to meet minimum funding requirements, it can be subject to penalties.

Q-3. Who holds the contributions made under the Plan?

All contributions will be held in a trust operated by the Trustee: Union Bank, N.A. Service of legal process with regard to the Trust Fund may be addressed to the Trust Department, Union Bank, N.A., Fiduciary Accounting-Client Services, Mail Code-S-290, 530 B Street, Suite 222, San Diego, CA 92101.

Q-4. How do I file a claim for benefits?

You or your beneficiary must file a written request for benefits with the Committee. The Committee will determine your right to a pension benefit and advise you accordingly.

1. Initial Benefit Determination. After you have filed a claim, the Committee has 90 days to reach an initial decision. In special cases requiring more than 90 days, the Committee will notify you of the delay, in writing, before the end of the initial 90-day period, explaining the reason for the delay and giving the approximate date that the Committee is expected to reach a decision. After giving notice, the Committee may take up to another 90 days to make a decision on any claim.

If the time period is extended due to your failure to submit necessary information, the time period will be tolled from the date the Committee informs you of the need for additional information to the date you respond to the request for, and the Committee receives, the additional information.

2. Denial of Initial Claim. The Committee will notify you of its decision in writing or in electronic form. If the Committee's decision is adverse to you, the notice will contain (a) the specific reasons for denial, (b) the Plan provisions on which the Committee based its decision, (c) a description of any additional material or information necessary for you to complete the claim and an explanation of why such material or information is necessary, (d) a description of the Plan's review procedures and time limits and (e) a statement of your right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on appeal.

3. Appeal of Benefit Determination. You may make a written request for a review of any denial of benefits within 60 days following an adverse benefit determination. Once a review is requested, the Committee has 60 days to arrange a hearing and reach a decision. The Committee may extend this 60-day period for another 60 days by following the procedures for obtaining an extension described in paragraph 1, above.

On appeal, you will be given, on request and free of charge, access to and copies of all documents and papers relevant to your claim and will be allowed to submit written comments, documents, records and other information to the Committee. The review will take into account all comments, documents, records and other information you submit regarding the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

4. Notice of Denial of Benefit Determination On Appeal. The Committee will notify you of its decision on the review in writing or in electronic form. If the Committee's decision is adverse to you, the notice will contain the information required in (a), (b) and (e) of paragraph 2, above, and a statement that you are entitled to receive, on request and free of charge, access to and copies of all documents and papers relevant to your claim.

5. Notice of Benefit Determination in Electronic Form. An electronic notice of a benefit determination may be sent only if you have the ability to access electronic mail at your worksite and to print documents sent in electronic form. The notice must be sent with an electronic return receipt requested and inform you of the significance of the notice and any attached documents. The Committee must furnish, at your request, any document delivered in electronic form.

6. Verification. The Committee will perform periodic claims audits to verify that its determinations are made in accordance with these procedures and in a manner intended to protect the privacy of Plan participants. The Committee also will maintain all documents relevant to its claims audits.

XI. YOUR RIGHTS UNDER ERISA

As a participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants are entitled to:

- Examine, without charge, at the Foundation's office all plan documents, including insurance contracts and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.

- Obtain copies of all plan documents and other plan information upon written request to the Foundation. The Foundation may make a reasonable charge for the copies.

- Receive a summary of the Plan's annual financial report. The Foundation is required by law to furnish each participant with a copy of this annual funding notice.

- Obtain a statement telling you whether you have a right to receive a Pension Benefit at Normal Retirement Age and if so, what your benefits would be under the Plan if you stopped working right now. If you do not have a right to a Pension Benefit, the statement will tell you how many more years you have to work to get a right to a Pension Benefit. This statement must be requested in writing and is not required to be given more than once a year. The Plan must provide the statement free of charge.

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 prudently and in the interest of you and other plan participants and beneficiaries. No one, including your Employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a plan benefit or for exercising your rights under ERISA.

If your claim for a Pension Benefit is denied in whole or in part, you must receive written explanation of the reason for denial. You have a right to have the Foundation review and reconsider your claim. Under ERISA, there are legal steps that you can take to enforce these rights. For instance, if you request materials from the Plan and do not receive them in 30 days, you may file suit in federal court. In such a case, the court may require the Foundation 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 Foundation. If you have a claim for benefits which is denied or ignored, in whole or part, you may file suit in state or federal court. In addition, if you disagree with the Foundation'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 the 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 (if it finds your claim frivolous, for example).

We hope this Summary provides you with full and complete information about the Plan and your rights under ERISA. If you have any questions, please contact the Committee, or, if you prefer, you may contact the nearest Office of the Employee Benefits Security Administration, U.S. Department of Labor in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, or the U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, D.C. 20210. You also may 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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