

FOND DU LAC MANAGEMENT, INC.

EMPLOYEE DISABILITY PLAN

Non-Occupational Short-Term Disability Benefits
(Employee Only)

This Plan is written, adopted and operative in accordance with the substantive requirements of the Employee Retirement Income Security Act of 1974 as may be amended, and for the sole and exclusive purpose of providing to the employees employee welfare benefits as described herein.

The Plan agrees to provide the benefits set forth in the *Schedule of Benefits* to all employees in accordance with the provisions and conditions of the Plan.

The Plan is subject to all the conditions and provisions set forth in this document and subsequent amendments which are made a part of this Plan.

Fond du Lac Management, Inc. has caused this Plan to take effect as of 12:01 a.m., Standard Time on July 1, 1996 at Cloquet, MN.

Dated July 31, 2003 (Revised)

Robert B. Peacock (Signed)
Chairman

Dated July 31, 2003 (Revised)

Kevin R. Dupuis, Sr. (Signed)
Secretary/Treasurer

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GENERAL INFORMATION

Name of Plan	Fond du Lac Management, Inc. Non-Occupational Short-Term Disability Plan
Plan Number	503
Plan Administrator	Fond du Lac Insurance Co. 1720 Big Lake Road Cloquet, MN 55720
Group Number	08217 - Divisions 2,3,4
Employer Tax ID Number	41-1696190
Plan Effective Date	July 1, 1996
Plan Renewal Date	January
Plan Fiscal Year Ends	December
Agent for Legal Service	Fond du Lac Management, Inc.
Contract Administrator	Fond du Lac Insurance Company 1720 Big Lake Road Cloquet, MN 55720 218-879-4593
Effective Date of Coverage	First day following completion of the waiting period
Waiting Period	The date the employee has been actively at work for a continuous period of twelve (12) months
Termination Date of Coverage	The date of termination

SCHEDULE OF BENEFITS

Weekly Benefit 2/3% of *Basic Weekly Compensation
(Not to exceed \$500)

Waiting Period

 Accident7 calendar days

 Illness7 calendar days

Maximum Benefit Period per Disability12 weeks

*"Basic Weekly Compensation" means the basic hourly rate of pay of the employee for a seven (7) day period of time prior to the date of the disability. Basic Weekly Compensation does not include tips, commissions, overtime pay, bonuses, and any other compensation not received as basic wages or salary.

Disability will be considered due to illness unless disability is the direct result of and commences within thirty-one (31) days after an Accidental Injury.

ELIGIBILITY AND ENROLLMENT

A. Eligible Employees

A full-time employee of the Employer who regularly works thirty-two (32) or more hours per week will be eligible to participate in the Plan provided such employee is a resident of the United. States.

An employee's participation in the Plan is subject to a waiting period of twelve (12) months of continuous, full-time employment from the date such full-time employment begins.

An employee's eligibility date is the next day following the completion of the waiting period.

B. Plan Enrollment

An eligible employee will be enrolled the next day following the waiting period as a participant in the Plan.

C. Reinstatement of Coverage

If an employee who was previously covered by this Plan is reinstated within six (6) months after a lay-off, coverage will become effective on the date of employment and the waiting period will be waived.

If an employee who was previously covered by this Plan is reinstated more than six (6) months after termination of coverage, the employee will be considered a new employee and will be subject to all provisions of this Plan.

EFFECTIVE DATE OF COVERAGE

Coverage for an Eligible Employee will commence the next day following the waiting period.

However, coverage will not become effective if the employee is not Actively-At-Work on that date, but will be delayed until the date the employee returns to active full-time work.

BENEFIT PROVISIONS

Subject to the limitations and provisions of this Plan, benefits shall be payable for the period during which the employee remains Totally Disabled, provided the employee:

1. Becomes Totally Disabled due to catastrophic illness or injury while covered to the extent that none of the employee's usual and customary duties of the occupation could be performed;
2. Was disabled due to the result of a non-occupational Accidental Injury or Illness;
3. Remains Totally Disabled during the waiting period.

Once benefits are claimed under this Plan, an employee must maintain continuous, full-time employment for a period of one year after returning to work before the employee will be eligible to receive benefits again.

PROOF OF LOSS

A "Statement of Disability" form must be completed and submitted to the Contract Administrator and verified by FDL Management's designated case management representative before benefits will be paid.

EXCLUSIONS AND LIMITATIONS

No payment will be made under any portion of this Plan for:

1. Any period of disability during which the employee is not under the direct care of a legally qualified Physician.
2. Disability due to self-inflicted injuries or illness, while sane or insane.
3. Any disability for or in connection with any injury or illness which arises out of or in the course of any occupation for wage or profit or for which the Covered Person would be entitled to compensation under any Workers' Compensation Law or occupational disease law or similar legislation. Benefits will be reduced by any benefits payable under any State-sponsored compulsory disability plans.
4. Any period of disability occurring during any period that the employee is laid off or on a leave of absence, or work stoppage due to collective bargaining.
5. Any period of disability in which the employee is compensated under paid leave benefits. Any accrued paid leave must be exhausted before disability benefits are payable under this Plan.
6. Any period of disability in which the employee is compensated under Minnesota Re-employment Insurance Benefits.
7. Any injury or illness which results from participation in a riot or commission of a felony.
8. Any disability which is eligible for disability benefits paid under an insurance policy or which is eligible for other third party recovery.

TERMINATION OF BENEFITS

The benefits of an employee shall terminate at the earliest time indicated below:

1. In the event the employee fails to make any required contributions for their benefits when due, benefits shall automatically terminate at the end of the period for which the contribution was made, unless due to clerical error where past contributions may be paid to bring coverage current;
2. Upon termination of employment or retirement, benefits will cease on the day the employee terminated. Cessation of active work by an employee shall be deemed termination of employment, except in the event an employee is absent on account of illness or, employment shall be deemed to continue for the purpose of benefits hereunder until the date contributions received from the Employer for such employee's benefits are discontinued;
3. The date the employee ceases to be eligible for coverage or ceases to be in a class eligible for coverage;
4. The date the Plan is terminated;
5. The date the employee ceases to be on medical leave, becomes eligible for social security disability or eligible for social security retirement benefits; or
6. The date the employee ceases to provide Proof of Loss.

DEFINITIONS

Actively-At-Work: An employee will be considered Actively-At-Work on a day which is a scheduled work day if the employee is: (a) performing in the customary manner all of the regular duties of the occupation on a full-time basis either at the customary place of employment or at some location to which travel is required; or (b) absent solely by reason of vacation; or (c) on a day which is not a scheduled work day only if the employee was performing in the customary manner all of the regular duties of the occupation on the last preceding scheduled work day.

Benefits: An amount payable to the employee for periods of qualifying disability. Payment of benefits will be on a weekly basis and subject to FICA, and federal and state income taxes.

Catastrophic Illness or Injury: Is a serious health condition which requires inpatient care at a hospital, hospice or residential medical care facility, including any period of incapacity or any subsequent treatment in connection with such inpatient care or a condition which requires continuing care by a legally qualified physician.

Contract Administrator: The organization providing services to the Employer in connection with operation of this Plan and performing such other functions, including processing of claims, as may be delegated to it.

GENERAL PROVISIONS

Records

Each employee authorizes and directs any provider that has attended, examined or treated them, to furnish to the Contract Administrator, at any time upon its request, any and all information, records or copies of records relating to the attendance, examination or treatment rendered to the employee; and the Contract Administrator agrees to that such information and records will be considered confidential. Further, any charges imposed relative to the acquisition of such information will be absorbed by the employee.

Timely Payment of Claims

Benefits payable under this Plan for any loss will be paid within a reasonable period of time after receipt of due written Proof of Loss.

Right of Review and Appeal

If a claim is partly or totally denied, the Contract Administrator will furnish notice to the employee within sixty (60) days. The notice will specify the reason for the denial or describe the additional information required to process the claim. Written denial will include:

1. Specific reasons for denial with references to the Plan document section(s);
2. A description and need for any other material pertinent to the claim; and
3. An explanation of this Plan's review procedure.

If a claim is not processed within sixty (60) days of receipt by the Contract Administrator, an employee may proceed to the review procedure, as if the claim has been denied.

If a claim is partly or totally denied, the employee may appeal the denial by making a written request for review to the Contract Administrator within sixty (60) days after the denial is received. An employee has the right to (1) review this Plan and other pertinent documents, (2) argue against the denial in writing, and (3) have a representative act on behalf of the employee in the appeal.

Within sixty (60) days of receipt of written request by the employee after notice of denial, the Plan Administrator will review the claim in question and give a final written decision on the review.

If the claim is denied again, it shall include specific reason for denial, written in a manner understandable to the employee, and will contain specific reference to the pertinent Plan provisions upon which the decision was based.

Periodic Report

Within one month following the date of any change in the group of employees covered, the Employer shall furnish the Contract Administrator the names of all employees who have become covered or cease to be covered since the date of the previous reports.

Failure on the part of the Employer to report the name of any employees who are eligible for coverage, shall not deprive such persons of their benefits under the Plan; nor shall failure on the part of the Employer to report any termination of any employee, obligate the Plan to continue such benefits beyond the date of termination.

Affiliated Companies

Any of the Employer's affiliates, subsidiaries or divisions may be deleted or added to the Plan upon written notice by the Employer on or before the date such deletion or addition is effective.

Employee Contribution

Participation in this Plan is entirely voluntary. The Employer reserves the right to modify the amount of any employee contributions.

Inspection of Plan Document

The Employer upon request, shall make this Plan Document available for inspection by any employee at a reasonably accessible place.

Amendment or Termination of the Plan

The Plan may be amended or terminated at any time without prior notice and, except as otherwise provided, in any manner, by written authorization and signed by the Chairman and Secretary/Treasurer of Fond du Lac Management, Inc.