

Key Enterprises, LLC
601 Second Avenue South First Bank Place Suite 5200
Minneapolis, Minnesota 55402

March 15, 1998

2520043380448

Secretary of Labor
Top-Hat Plan Exemption
Pension and Welfare Benefits Administration
Room N-5644
U.S. Department of Labor
200 Constitution Avenue N.W.
Washington, D.C. 20210

COPY TO: 2520043380448

Re: The Key Enterprises, LLC Equity Participation Unit Plan

Dear Secretary:

Pursuant to Section 2520.104-23 of the Department of Labor's Regulation, this letter will serve as notice that, with respect to The Key Enterprises, LLC Equity Participation Unit Plan (the Plan), the undersigned intends to use the alternative form of compliance with the reporting and disclosure requirements of Part 1 of Title 1 of the Employee Retirement Income Security Act of 1974 (ERISA), which alternative form of compliance is provided in the aforesaid Regulations Section.

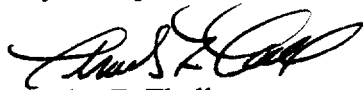
Pursuant to Regulations Section 2520.104-23(b), the following information is provided:

1. Name and Address of Employer: Key Enterprises, LLC ; 601 Second Avenue South, Suite 5200, Minneapolis, Minnesota 55402.
2. Employer's Employer Identification Number: 41-1857142.
3. The Employer hereby declares that it maintains the Plan primarily for the purpose of providing deferred compensation for a select group of management of highly compensated employees.
4. A sample copy of the plan is attached.

Pursuant to Regulations Section 2520.104-23(b)(2), the Employer will provide Plan documents, if any, to the Secretary of Labor upon request as required by Section 104(a)(1) of ERISA.

Very Truly Yours,

Key Enterprises, LLC



Charles F. Thell
Chief Financial Officer

EQUITY PARTICIPATION AGREEMENT

Key Enterprises, LLC, hereinafter the "Company", agrees to provide to _____, hereinafter the "Employee", Equity Participation Units in the Company, as provided for and defined in this Agreement. The purpose of this Agreement is to provide an incentive to the Employee to preserve and increase the equity value of the Company, and reward the employee for such achievement. The parties to this agreement do not intend to provide any ownership privileges or obligations to the Employee. Rather, this agreement is intended to provide contractual compensatory rights and benefits only to the Employee.

Section 1. Equity Participation Units

"Equity Participation Units" represent the right to receive future incentive compensation, with the unit value measured by the Equity Value of the Company. Effective as of December 31, 1997, the Employee shall be granted Equity Participation Units with a value of \$ _____ of the Equity Value as of that date. The number of units granted will be computed by first deducting the dollar value of all new Equity Participation Units granted to the Employee and all other employees of the Company from the Equity Value as of December 31, 1997, with such balance divided by the number of Membership units outstanding to determine a value per unit. The value of \$ _____ shall then be divided by the thus computed value per unit with the quotient representing the number of Equity Participation Units granted to the Employee.

For the December 31, 1998 and subsequent year calculations, the value of Equity Participation Units shall be equal to the Equity Value of the Company, adjusted and updated as provided in Section 2 of this Agreement, divided by the sum of the number of actual Membership units outstanding plus all Equity Participation Units granted to the Employee and all other employees, all as of the date of the calculation.

The value of the Equity Participation Units shall be updated annually, as of December 31 of each year, by the Chief Financial Officer of the Company, with a copy of the calculation provided to the Employee within 120 days of each December 31 year end, and such calculations shall be binding on the Employee. The calculation of Equity Value shall be controlling until the next December 31, when Equity Value shall be recalculated.

Nothing herein shall prohibit the Company from granting Equity Participation Units in the future. In the event the Company subdivides or combines the number of actual Membership units outstanding into a greater or lesser number of Membership units (however effected), the number of Equity Participation Units then held by Employee shall be proportionately adjusted.

Section 2. Equity Value

“Equity Value” of the Company for purposes of this Agreement shall be equal to eight times the weighted-average ordinary income, as adjusted as described herein, of the Company, as reported in the December 31, year-end financial statements prepared in conformance with generally accepted accounting principles and attested to by the Chief Financial Officer of the Company (the “Year-End Financial Statements”), for the three preceding December 31 year ends.

For purposes of the weighted-average computation, ordinary income shall be weighted by a factor of three for the current calendar year, by a factor of two for the first preceding calendar year, and by a factor of one for the second preceding calendar year. Ordinary income of the Company for purposes of computing Equity Value shall exclude deductions for interest expense, depreciation expense, amortization expense, and federal and State income tax expense, and shall also exclude income from interest, dividends, capital gains, or other non-operating income. Equity Value shall be computed as of December 31 of each year commencing December 31, 1997, by the Company’s Chief Financial Officer using income and adjustments from the preceding three years Year-End Financial Statements. Except the calculation of Equity Value as of December 31, 1997 shall be based upon the 1997 Year-End Financial Statements only, and the calculation of Equity Value as of December 31, 1998 shall be based upon the 1997 and 1998 Year-End Financial Statements only.

Except that, in the event of a “Sales Transaction”, the Equity Value of the Company shall be immediately adjusted to the relative value of the Sales Transaction. A Sales Transaction shall be the earliest of the following transactions:

- (a) the sale or exchange for value of 50% or more of the voting equity ownership of the Company; or
- (b) the liquidating distribution of the Company’s assets, net of liabilities, to its equity owners; or
- (c) the merger of the Company with another entity, which entity is the surviving entity after the merger, unless the surviving entity was previously the majority equity owner of the Company; or
- (d) upon the sale of substantially all the assets of the Company.

Section 3. Vesting

“Vesting” refers to the portion of the Equity Participation Units which are not subject to forfeiture. Vesting of the Equity Participation Units granted to the Employee is earned by the continuous full-time employment of the Employee by the Company. The Equity Participation Units granted under this agreement, shall become 33 1/3% vested on

December 31, 1998, 66 2/3% vested on December 31, 1999, and 100% vested on December 31, 2000. There will be no partial year vesting of Equity Participation Units.

Equity Participation Units which have been granted, but are not vested, will become 100% vested upon the occurrence of the following:

- (a) termination of the Employee by the Company, without cause as defined in the Employee's employment contract or the Company employee manual; or
- (b) if a Sales Transaction occurs, upon the date of the Sales Transaction.

Section 4. Forfeiture for Misconduct

Notwithstanding any other provision of this Agreement, all Equity Participation Units, vested and non-vested shall be forfeited, and the Company shall have no further obligation hereunder if the Employee violates any terms of the Employee's employment agreement with the Company or the Company employee manual, including but not limited to:

- (a) the terms of any covenant not to compete; or
- (b) the terms of any confidentiality agreement; or
- (c) the terms of any employee non-solicitation provisions; or
- (d) the terms of any business and/or customer non-solicitation provisions; or
- (e) the Employee breaches the terms of any other provision or contract restricting competition with the Company, whether or not such provision is included within a formal employment agreement.

Section 5. Redemption of Equity Appreciation Units

Except as expressly stated herein, vested Equity Participation Units are redeemable only upon a Sales Transaction, upon the separation from service of the Employee due to the Employee's termination, death, physical or mental disability which renders the Employee unable to perform said Employee's duties, or upon the Employee's 65th birthday.

In the event of a redemption arising from a Sales Transaction, the Employee shall receive payment for the Equity Value represented by the Employee's Equity Participation Units under the same terms and conditions as the Members of the Company; provided however that if the Sales Transaction involves the receipt of non-cash consideration, Employee shall receive the cash equivalent of such non-cash consideration.

For any other redemption, payment shall be made over a period of five years in equal, quarterly payments. Such payments are deferred compensation to Employee and shall be subject to applicable withholding requirements.

Section 6. Non-Transferability

The rights and privileges pertaining to this Agreement or the Equity Participation Units may not be alienated, sold, transferred, assigned, pledged, encumbered, or hypothecated in any manner, by operation of law or otherwise, other than by will or by laws of descent and distribution, and shall not be subject to execution, garnishment, attachment, or similar processes by creditors of the Employee. In the event of the Employee's death, the rights of Employee hereunder may be exercised by the Employee's legatees and devisees provided that such persons demonstrate to the Company's satisfaction that they are the lawful successor to Employee's interest hereunder.

Section 7. Funding

The Agreement shall be not be funded, and no assets of the Company will be segregated for payment of any benefit provided by the Agreement. The Employee expressly agrees that any claim against the Company for payment upon redemption of the Equity Participation Units shall be subordinate to the claims of general unsecured creditors of the Company.

Section 8. Appeal Procedures

If the Employee believes the provisions of this Agreement have not been complied with, the Employee must within sixty days of the event, or the receipt of the information, which the Employee believes is not in compliance with the terms of the Agreement file a written "Appeal" with the Chief Financial Officer of the Company. The Appeal should describe the perceived non-compliance, refer to the section of the Agreement which has not been complied with, and provide other relevant information necessary to evaluate the perceived non-compliance. The Appeal must include the return address of the Employee.

The Appeal must be in writing, sent certified mail, return receipt requested, with the U. S. Postal Service to the Chief Financial Officer of the Company at 5200 First Bank Place, Minneapolis, Minnesota 55402. If an Appeal in full compliance with this Section is not mailed within sixty days of the event, or the receipt of information, upon which the Appeal is based, the Employee agrees not to subsequently file an Appeal, or otherwise contest such event, or information.

The Chief Financial Officer must respond in writing to the Employee within 45 days of receipt of the written Appeal. The response by the Chief Financial Officer of the Company to the Appeal must also be sent certified mail, return receipt requested, with the U. S. Postal Service to the Employee at the address provided by the Employee in the Appeal. If the response by the Company is not mailed within forty-five days of receipt of the Appeal, the Company will be deemed to be in agreement with the Employee with

respect to the matters, and any proposed resolution, in the Appeal, if the Appeal conforms with the provisions of this Section.

Section 9. Employment not Guaranteed

Nothing in this Agreement provides Employee with the right to continued employment, or any legal or equitable rights against the Company, except as expressly provided in this Agreement. Neither the Company, its Members, its Board of Governors nor any manager shall owe or be deemed to owe Employee any fiduciary duty by reason of this Agreement.

Section 10. State Law

This Agreement shall be governed by the internal laws of the State of Minnesota.

Section 11. Miscellaneous

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained herein and supersedes any prior agreements, written or oral. If any section, provision or part of this Agreement shall be declared invalid, such decision shall not affect the validity of any remaining portions thereof.

IN WITNESS WHEREOF, the Company and Employee have executed this Agreement on the day and year first above written.

KEY ENTERPRISES, LLC
Company

By _____

Its Chief Executive Officer

, Employee