

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan STA-RITE INDUSTRIES EMPLOYEES' RETIREMENT PLA	1b Three-digit plan number (PN) ▶ 001
	1c Effective date of plan 09/01/1968
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) STA-RITE INDUSTRIES, LLC C/O PENTAIR, INC. 5500 WAYZATA BOULEVARD, SUITE 800 GOLDEN VALLEY, MN 55416-1261	2b Employer Identification Number (EIN) 86-1096608 2c Sponsor's telephone number 763-545-1730 2d Business code (see instructions) 332900

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/07/2010	STEPHANIE J. MAXAM, VP COMP BENEF
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/07/2010	MICHAEL G. MEYER, TREASURER
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") STA-RITE INDUSTRIES, LLC C/O PENTAIR, INC. 5500 WAYZATA BOULEVARD, SUITE 800 GOLDEN VALLEY, MN 55416-1261	3b Administrator's EIN 86-1096608 <hr/> 3c Administrator's telephone number 763-545-1730
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year	5	2136
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	463
b Retired or separated participants receiving benefits.....	6b	747
c Other retired or separated participants entitled to future benefits.....	6c	718
d Subtotal. Add lines 6a , 6b , and 6c	6d	1928
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	175
f Total. Add lines 6d and 6e	6f	2103
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1A 1G 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☐ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>STA-RITE INDUSTRIES EMPLOYEES' RETIREMENT PLA</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>STA-RITE INDUSTRIES, LLC</u>	D Employer Identification Number (EIN) <u>86-1096608</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information	
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2009</u>		
2 Assets:		
a Market value	2a <u>56777144</u>	
b Actuarial value	2b <u>62454858</u>	
3 Funding target/participant count breakdown		
	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>898</u>	<u>38029305</u>
b For terminated vested participants	3b <u>703</u>	<u>13034118</u>
c For active participants:		
(1) Non-vested benefits	3c(1)	<u>1009861</u>
(2) Vested benefits	3c(2)	<u>18404590</u>
(3) Total active	3c(3) <u>535</u>	<u>19414451</u>
d Total	3d <u>2136</u>	<u>70477874</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐	
a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5 <u>8.12</u> %	
6 Target normal cost	6 <u>1520439</u>	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>07/22/2010</u>
Signature of actuary	Date
<u>KATE P. EDISON, FSA, EA</u>	<u>08-07080</u>
Type or print name of actuary	Most recent enrollment number
<u>MERCER</u>	<u>612-642-8600</u>
Firm name	Telephone number (including area code)
<u>333 SOUTH 7TH STREET, SUITE 1600</u> <u>MINNEAPOLIS, MN 55402-2427</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	4987344	
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	1426865	
9	Amount remaining (Item 7 minus item 8).....	3560479	0
10	Interest on item 9 using prior year's actual return of <u>-29.17</u> %	-1038592	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		
b	Interest on (a) using prior year's effective rate of _____ %		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance.....		
12	Reduction in balances due to elections or deemed elections.....		
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	2521887	0

Part III Funding percentages			
14	Funding target attainment percentage.....	14	85.03 %
15	Adjusted funding target attainment percentage.....	15	85.03 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	98.19 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
12/31/2009	7700000				
07/02/2010	2200000				
			Totals ►	18(b)	9900000
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a
b Contributions made to avoid restrictions adjusted to valuation date	19b
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 9080327
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of Quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 2
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	1520439
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	6316231	1120807
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	2641246
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	1597509	
36 Additional cash requirement (item 34 minus item 35).....	36	1043737
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	9080327
38 Interest-adjusted excess contributions for current year (see instructions).....	38	8036590
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

<div>SCHEDULE D</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009					
A Name of plan STA-RITE INDUSTRIES EMPLOYEES' RETIREMENT PLA				B Three-digit plan number (PN) ▶ 001	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 STA-RITE INDUSTRIES, LLC				D Employer Identification Number (EIN) 86-1096608	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: PENTAIR, INC. MASTER TRUST					
b Name of sponsor of entity listed in (a): PENTAIR, INC.					
c EIN-PN 25-6346358-001		d Entity code M		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 69153165	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 10	

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>		
A Name of plan <u>STA-RITE INDUSTRIES EMPLOYEES' RETIREMENT PLA</u>	B Three-digit plan number (PN) ▶	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>STA-RITE INDUSTRIES, LLC</u>		
D Employer Identification Number (EIN) <u>86-1096608</u>		

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	<u>0</u>	<u>2200000</u>
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	<u>56777144</u>	<u>69153165</u>
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	56777144	71353165

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	56777144	71353165
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	9900000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		9900000

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		9534823
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		19434823

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	4671959	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		4671959
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	186843	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		186843
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		4858802

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		14576021
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: DELOITTE & TOUCHE, LLP

(2) EIN: 13-3891517

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		25000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>STA-RITE INDUSTRIES EMPLOYEES' RETIREMENT PLA</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>STA-RITE INDUSTRIES, LLC</u>	D Employer Identification Number (EIN) <u>86-1096608</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>26-6346358</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>4</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 49% Investment-Grade Debt: 10% High-Yield Debt: 0% Real Estate: 0% Other: 41%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☒ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Sta-Rite Industries Employees' Retirement Plan

Financial Statements as of and for the
Years Ended December 31, 2009 and 2008, and
Independent Auditors' Report

STA-RITE INDUSTRIES EMPLOYEES' RETIREMENT PLAN

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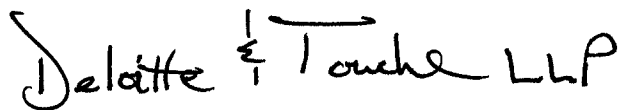
INDEPENDENT AUDITORS' REPORT

To the Plan Administrator of
Sta-Rite Industries Employees' Retirement Plan:

We were engaged to audit the financial statements of Sta-Rite Industries Employees' Retirement Plan (the Plan") as of December 31, 2009 and 2008, and for the years then ended, listed in the table of contents. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by Mellon Bank, N.A., the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certifications from the trustee that the information as of and for the years ended December 31, 2009 and 2008, provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to express, and we do not express, an opinion on the accompanying financial statements taken as a whole. The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



September 29, 2010

STA-RITE INDUSTRIES EMPLOYEES' RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AS OF DECEMBER 31, 2009 AND 2008

	2009	2008
ASSETS:		
Contributions receivable	\$ 2,200,000	\$ -
Plan interest in Pentair, Inc. Master Trust	<u>69,153,165</u>	<u>56,777,144</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 71,353,165</u>	<u>\$ 56,777,144</u>

See notes to financial statements.

STA-RITE INDUSTRIES EMPLOYEES' RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
ADDITIONS:		
Employer contributions	\$ 9,900,000	\$ 720,570
Investment income (loss) — net investment income (loss) from Pentair, Inc. Master Trust	9,534,823	(23,130,708)
DEDUCTIONS:		
Benefits paid directly to participants	4,671,959	4,407,217
Administrative expenses	186,843	70,158
Total deductions	4,858,802	4,477,375
NET INCREASE (DECREASE)	14,576,021	(26,887,513)
NET ASSETS AVAILABLE FOR BENEFITS — Beginning of year	56,777,144	83,664,657
NET ASSETS AVAILABLE FOR BENEFITS — End of year	\$71,353,165	\$ 56,777,144

See notes to financial statements.

STA-RITE INDUSTRIES EMPLOYEES' RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sta-Rite Industries Employees' Retirement Plan (the "Plan") have been prepared on the accrual basis of accounting and in accordance with the rules and regulations of the U.S. Department of Labor.

Plan funds are invested in the Pentair, Inc. Master Trust (the "Master Trust") and held in custody of Mellon Bank, N.A. (the "Trustee").

Investments in the Master Trust are presented at estimated fair value. If available, quoted market prices are used to value investments. Quoted market prices are based on the last reported sale price on the last business day of the year. In instances wherein quoted market prices are not available, securities and other alternative investments are stated at estimated fair value as determined by the custodian of those investments. Investments in partnerships/joint ventures are determined by investment group managers based on the estimated value of the various holdings in the partnership/joint venture portfolio. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Administrative expenses, such as actuarial and auditing fees, and charges and expenses incurred in connection with the acquisition or disposition of the Plan's assets, such as custodial fees, investment management fees, and brokerage commissions, are paid by the Plan or from the Master Trust assets.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits and changes therein at the date of the financial statements. Actual results could differ from those estimates.

The Plan utilizes various investment securities, including mutual funds, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Benefit payments to participants are recorded upon distribution.

The financial statements also reflect accounting guidance related to fair value measurements which establishes a single authoritative definition of fair value, sets a framework for measuring fair value, and requires additional disclosures about fair value measurements (see Note 5).

Subsequent Events — In May 2009, the FASB issued ASC 855 (originally issued as FASB Statement No. 165, Subsequent Events) to establish general standards of accounting for and disclosing events that occur after the balance sheet date, but prior to the issuance of financial statements. ASC 855 provides guidance on when financial statements should be adjusted for subsequent events and requires companies to disclose subsequent events and the date through which subsequent events have been evaluated. ASC 855 is effective for periods ending after June 15, 2009.

For the year ended December 31, 2009, subsequent events were evaluated through September 29, 2010, the date the financial statements were available to be issued

2. DESCRIPTION OF THE PLAN

The following description of the Plan is provided for general information purposes only. Participants should refer to the Plan document for information.

General — The Plan, a noncontributory defined benefit plan, covers all full-time administrative and production employees, hourly and salary, who are employed by Sta-Rite Industries, Inc. (the “Company”) at the Delavan, Union City, and Grand Island locations. Through July 31, 2004, the Company was a wholly owned subsidiary of WICOR, Inc., a wholly owned subsidiary of Wisconsin Energy Corporation. Effective August 1, 2004, the Company was acquired by Pentair, Inc.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan was frozen to new participants effective January 1, 2008.

Benefits — Normal retirement benefits are paid to members who have reached social security retirement age. In addition to normal retirement benefits, the Plan provides for certain defined early, special early, deferred and death benefits, and various payment options.

For administrative participants, the normal monthly retirement benefit is equal to the greater of the following: (a) 1.175% of the participant’s average monthly compensation multiplied by the participant’s years of benefit service, up to a maximum of 25 years, plus 0.5% of the participant’s average monthly compensation multiplied by the participant’s years of benefit service in excess of 25 years, up to a maximum of 15 years; added to that amount is 0.5% of the excess of the participant’s average monthly compensation over the participant’s covered compensation, as defined by the Internal Revenue Code (IRC), multiplied by the participant’s years of benefit service, up to a maximum of 35 years, or (b) \$14 multiplied by the participant’s years of benefit service.

For production participants, the normal retirement benefit is equal to the greater of the following: (a) 1% of the participant’s average monthly compensation multiplied by the participant’s years of benefit service, up to a maximum of 40 years, or (b) \$14 multiplied by the participant’s years of benefit service, up to a maximum of 40 years.

Vesting — Participants have a fully vested interest in the Plan after attaining five years of credited service or upon attainment of normal retirement age (as defined in the Plan) with no vesting prior to that date.

Funding — Contributions to provide benefits under the Plan are made solely by the Company. The Company’s contribution to the Plan is based on actuarial calculations. Company policy is to contribute an amount necessary to fund the current normal cost.

In 2008, no contributions were made due to the full funding limitation imposed by the Internal Revenue Service (IRS). In 2009, no contributions were made due to changes in funding requirements brought by the Pension Protection Act. The Company met the minimum funding requirements of ERISA for the years ended December 31, 2009 and 2008.

Curtailment — The Plan was frozen to new participants effective January 1, 2004.

Termination — While it has not expressed any intention to do so, the Company has the right under the Plan to terminate the Plan, subject to the provisions set forth in ERISA. In the event of termination of the Plan, the Plan's assets shall be used and applied first for the benefit of retired employees and employees who have reached their normal retirement date and second for the benefit of all other employees based on their accrued retirement benefits at the date of termination of the Plan in amounts proportionate to the actuarially determined present values of their retirement benefits at the date of termination of the Plan. Any balance remaining after satisfaction of all liabilities of the Plan shall be returned to the Company.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the maximum amount of an individual's monthly benefit that the PBGC guarantees.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits, the priority order of those benefits to be paid, and the level and type of benefits guaranteed by the PBGC. Some benefits may be fully or partially provided for by the then-existing assets and the PBGC guaranty, while other benefits may not be provided for at all.

Tax Status — The IRS has determined and informed the Company by a letter dated October 22, 2002, that the Plan and related trust were designed in accordance with the applicable regulations of the IRC. The Company and the Plan administrator believe that the Plan is currently operated in compliance with the applicable requirements of the IRC, and the Plan and related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

3. MASTER TRUST

Pentair, Inc. has established the Master Trust with the Trustee for three pension plans. The purpose of this combination is to pool investment transactions and achieve uniform rates of return on comparable funds under all plans. The plans have deposited funds in the Master Trust and each owns an undivided interest in net assets of the Master Trust based on its equity in the Master Trust.

Under the terms of the trust agreements, the Trustee manages trust funds on behalf of the Plan. In accordance with the trust agreements, certain assets of the Plan are held together with assets of other plans in the Master Trust sponsored by Pentair, Inc. and its subsidiaries.

The allocation of trust funds and investment income (loss) among the participating pension plans in the Master Trust is determined on a unit value basis as determined by the Trustee. The allocation of funds at December 31, 2009 and 2008, were as follows:

	2009		2008	
	Amount	Percentage Ownership	Amount	Percentage Ownership
Pentair, Inc. Pension Plan	\$ 233,508,316	73.5 %	\$ 186,681,296	73.2 %
Pentair Pump Group, Inc. Bargaining Unit				
Employee Pension Plan	15,039,875	4.7	11,812,402	4.6
Sta-Rite Industries, Employees' Retirement Plan	<u>69,153,165</u>	<u>21.8</u>	<u>56,777,144</u>	<u>22.2</u>
Net assets of the Pentair, Inc. Master Trust	<u>\$ 317,701,356</u>	<u>100.0 %</u>	<u>\$ 255,270,842</u>	<u>100.0 %</u>

The net assets and investments of the Master Trust at December 31, 2009 and 2008, were as follows:

	2009	2008
Assets:		
Investments at fair value:		
Interest-bearing cash	\$ 1,279	\$ 1,921
U.S. government securities	42,556,952	-
Corporate stocks — common	19,989,905	41,312,870
Corporate debt instruments	15,523,564	-
Partnership/joint venture interests	114,828,841	72,577,142
Common/collective trust	62,965,989	100,158,357
Registered investment companies	25,913,222	18,800,925
Other investments	13,114,776	-
Employer securities	<u>21,742,422</u>	<u>22,324,124</u>
Total investments at fair value	316,636,950	255,175,339
Receivables — interest and dividends	<u>1,367,308</u>	<u>400,016</u>
Total assets	<u>318,004,258</u>	<u>255,575,355</u>
Liabilities — payables — securities purchased	<u>302,902</u>	<u>304,513</u>
Net assets of the Pentair, Inc. Master Trust	<u>\$ 317,701,356</u>	<u>\$ 255,270,842</u>
Plan's interest in the net assets of the Pentair, Inc. Master Trust	<u>\$ 69,153,165</u>	<u>\$ 56,777,144</u>

The net investment income (loss) of the Master Trust for the years ended December 31, 2009 and 2008 was as follows:

	2009	2008
Income (loss) from:		
Interest	\$ 2,376,465	\$ 19
Dividends	1,479,761	1,444,367
Net loss on sale of assets	<u>(21,449,532)</u>	<u>(8,097,666)</u>
Net loss	<u>(17,593,306)</u>	<u>(6,653,280)</u>
Net unrealized appreciation (depreciation) in fair value of investments:		
Interest-bearing cash	1,042	(2,491)
U.S. government securities	(630,635)	-
Corporate debt instruments	688,770	-
Corporate stocks — common	1,752,277	(15,208,311)
Partnership/joint venture interests	40,159,178	(21,926,385)
Other investments	20,496	-
Employer securities	<u>5,809,198</u>	<u>(10,506,580)</u>
Total net unrealized appreciation (depreciation) in fair value of investments	<u>47,800,326</u>	<u>(47,643,767)</u>
Net gain (loss) from:		
Common/collective trust	9,382,165	(31,768,229)
Registered investment companies	<u>6,128,976</u>	<u>(17,020,886)</u>
Total net gain (loss)	<u>15,511,141</u>	<u>(48,789,115)</u>
Other income	<u>9,873</u>	<u>-</u>
Investment income (loss) of Pentair, Inc. Master Trust	<u>\$ 45,728,034</u>	<u>\$ (103,086,162)</u>

4. ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to service rendered by employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to: (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on compensation levels and years of service. The accumulated plan benefits for active employees are based on their years of service on the date the benefit information is presented (the valuation date). Benefits payable under all circumstances, including retirement, death, and termination of employment are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of the accumulated benefit obligation for the Plan is determined by the Plan's actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements, such as those for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The actuarial present value of accumulated plan benefits, as of January 1, 2009 and 2008, were as follows:

	2009	2008
Vested benefits:		
Participants and/or beneficiaries currently receiving benefits	\$ 37,701,435	\$ 33,571,973
Other participants	<u>28,762,048</u>	<u>30,061,171</u>
Total vested benefits	66,463,483	63,633,144
Nonvested benefits	<u>1,350,959</u>	<u>1,526,068</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 67,814,442</u>	<u>\$ 65,159,212</u>

The changes in the actuarial present value of the Plan's accumulated plan benefits for the years ended January 1, 2009 and 2008, were as follows:

Actuarial present value of accumulated plan benefits — January 1, 2007	<u>\$ 66,490,888</u>
Changes attributable to:	
Benefits accumulated	1,216,810
Interest due to the decrease in discount period	5,138,889
Benefits paid	(4,162,663)
Changes in actuarial assumptions	<u>(3,524,712)</u>
Net decrease	<u>(1,331,676)</u>
Actuarial present value of accumulated plan benefits — January 1, 2008	<u>65,159,212</u>
Changes attributable to:	
Benefits accumulated	1,726,830
Interest due to the decrease in discount period	5,335,617
Benefits paid	<u>(4,407,217)</u>
Net increase	<u>2,655,230</u>
Actuarial present value of accumulated plan benefits — January 1, 2009	<u>\$ 67,814,442</u>

The significant actuarial assumptions used in the January 1, 2009 and 2008, valuations were as follows:

Investment return	8.5% for 2009 and 2008, compounded annually for funding purposes, and the present value of accumulated plan benefits for 2009 and 2008
Mortality	RP Mortality Table with a fixed 15-year projection, set forward 10 years for disabled for funding purposes for 2009 and 2008
Retirement age	Various
Actuarial method	Unit credit method for 2008 and 2007

These actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

5. FAIR VALUE MEASUREMENTS

In accordance with accounting guidance related to fair value measurements, the Plan classifies its investments into Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Valuation methodologies used for investments measured at fair value are as follows:

- *Interest-Bearing Cash* — Consists of short-term investment funds valued based on observable market data. Such investments are classified as Level 2.
- *U.S. Government Securities and Corporate Debt Instruments* — Investments in corporate bonds and government securities are value based upon quoted market prices for identical or similar securities and other observable market data. Such investments are classified as Level 2.
- *Partnership/Joint Venture Interests and Common and Collective Trust* — Investments in commingled funds, primarily consisting of equity securities, are generally valued at the net asset value of units held at the end of the period based upon the value of the underlying investments as determined by quoted market prices or by a pricing service. Such investments are classified as Level 2. Certain investments in commingled funds are valued based on unobservable inputs due to liquidation restrictions. These investments are classified as Level 3.
- *Corporate Common Stocks, Registered Investment Companies and Employer Securities* — Equity securities, corporate common stock, and Pentair, Inc. common stock are valued based on the closing market price in an active market and are classified as Level 1. Investments in commingled funds are valued at the net asset value of units held at the end of the period based upon the value of the underlying investments as determined by quoted market prices or by a pricing service. Such investments are classified as Level 2.

- *Other Investments:* Other investments include investments in commingled funds with diversified investment strategies. Investments in commingled funds that are valued at the net asset value of units held at the end of the period based upon the value of the underlying investments as determined by quoted market prices or by a pricing service are classified as Level 2.

The Master Trust's investments using the fair value hierarchy as of December 31, 2009, are as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Interest-bearing cash	\$ -	\$ 1,279	\$ -	\$ 1,279
U.S. government securities	-	42,556,952	-	42,556,952
Corporate stocks — common	11,367,322	8,622,583	-	19,989,905
Corporate debt instruments	-	15,523,564	-	15,523,564
Partnership/joint venture interests	-	100,401,865	14,426,976	114,828,841
Common/collective trust	-	60,226,701	2,739,288	62,965,989
Registered investment companies	25,913,221	-	-	25,913,221
Other investments	-	13,114,777	-	13,114,777
Employer securities	<u>21,742,422</u>	<u>-</u>	<u>-</u>	<u>21,742,422</u>
Total Pentair, Inc. Master Trust	<u>\$59,022,965</u>	<u>\$240,447,721</u>	<u>\$17,166,264</u>	<u>\$316,636,950</u>

The following tables present a reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3):

	Balance January 1, 2009	Net Realized and Unrealized (Losses) Gains	Net Purchases, Issuances, and Settlements	Net Transfers Into (out of) Level 3 (a)	Balance December 31, 2009
Partnership/joint venture interest	\$ 72,577,142	\$ (774,129)	\$ -	\$ (57,376,037)	\$ 14,426,976
Common/collective trust	<u>100,158,357</u>	<u>1,026,708</u>	<u>-</u>	<u>(98,445,777)</u>	<u>2,739,288</u>
	<u>\$ 172,735,499</u>	<u>\$ 252,579</u>	<u>\$ -</u>	<u>\$ (155,821,814)</u>	<u>\$ 17,166,264</u>

(a) Transferred out of level 3 due to additional information obtained regarding inputs used in valuation methodologies.

The Master Trust's investments using the fair value hierarchy as of December 31, 2008, are as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Interest-bearing cash	\$ 1,921	\$ -	\$ -	\$ 1,921
U.S. government securities	-	-	-	-
Corporate stocks — common	41,312,870	-	-	41,312,870
Corporate debt instruments	-	-	-	-
Partnership/joint venture interests	-	-	72,577,142	72,577,142
Common/collective trust	-	-	100,158,357	100,158,357
Registered investment companies	18,800,925	-	-	18,800,925
Other investments	-	-	-	-
Employer securities	<u>22,324,124</u>	<u>-</u>	<u>-</u>	<u>22,324,124</u>
 Total Pentair, Inc. Master Trust	 <u>\$82,439,840</u>	 <u>\$ -</u>	 <u>\$ 172,735,499</u>	 <u>\$ 255,175,339</u>

The following tables present a reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3):

	Balance January 1, 2008	Net Realized and Unrealized Gains (Losses)	Net Purchases, Issuances, and Settlements	Net Transfers Into (out of) Level 3	Balance December 31, 2008
Partnership/joint venture interest	\$ 94,748,291	\$ (22,012,560)	\$ (158,589)	\$ -	\$ 72,577,142
Common/collective trust	<u>135,379,574</u>	<u>(32,216,180)</u>	<u>(3,005,037)</u>	<u>-</u>	<u>100,158,357</u>
	<u>\$ 230,127,865</u>	<u>\$ (54,228,740)</u>	<u>\$ (3,163,626)</u>	<u>\$ -</u>	<u>\$ 172,735,499</u>

6. INFORMATION CERTIFIED BY THE TRUSTEE (UNAUDITED)

The following is a summary of the unaudited information regarding the Plan as of December 31, 2009 and 2008, and for the years then ended, included in the Plan's financial statements that was prepared by or derived from information prepared by the Trustee of the Plan, and furnished to the Plan administrator. The Plan administrator has obtained certifications from the Trustee that the following investment information is complete and accurate.

	2009	2008
Statements of net assets available for benefits — Pentair, Inc. Master Trust	\$ 69,153,165	\$ 56,777,144
Statements of changes in net assets available for benefits — net investment income (loss) from Pentair, Inc. Master Trust	9,534,823	(23,130,708)

All investment balances included in Note 3 and 5.

7. PLAN CURTAILMENT

In December 2007, the Company announced the curtailment of this Plan as of December 31, 2017. The Plan was already closed to new participants effective January 1, 2004, and benefits will cease to accrue for all participant as of December 31, 2017.

8. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Certain Master Trust investments are shares of mutual funds managed by Mellon Bank, N.A. Mellon Bank, N.A. is the trustee and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Master Trust for the investment management services were \$91,271 and \$15,298 for the years ended December 31, 2009 and 2008, respectively.

At December 31, 2009 and 2008, the Master Trust held 673,140 and 943,140 units of common stock of Pentair, Inc., the sponsoring employer, with a fair value of \$21,742,422 and \$22,324,124, respectively. During the years ended December 31, 2009 and 2008, the Master Trust recorded dividend income of \$679,061 and \$641,335, respectively, from the Pentair, Inc. common stock.

* * * * *

Plan: Sta-Rite Industries Employees' Retirement Plan**EIN/PN : 86-1096608/001****Schedule SB, Line 22 – Description of weighted average retirement age**

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 63.

Administrative

(A) Retirement age	(B) Number of employees expected to retire, per 1000 retirements	(C) (A) X (B)
55	20.00	1,100.00
56	19.60	1,097.60
57	19.21	1,094.86
58	18.82	1,091.78
59	18.45	1,088.39
60	54.24	3,254.11
61	50.98	3,109.85
62	47.92	2,971.18
63	90.09	5,675.91
64	99.10	5,342.61
65	561.59	36,503.03
Total	1,000.00	63,329.33
Average		63.33

Production

(A) Retirement age	(B) Number of employees expected to retire, per 1000 retirements	(C) (A) X (B)
55	20.00	1,100.00
56	19.60	1,097.60
57	19.21	1,094.86
58	18.82	1,091.78
59	18.45	1,088.39
60	90.39	5,423.52
61	40.68	2,481.26
62	61.83	3,833.35
63	177.76	11,198.63
64	13332	8,532.29
65	399.95	25,996.82
Total	1,000.00	62,938.51
Average		62.94

Plan: Sta-Rite Industries Employees' Retirement Plan
EIN/PN : 86-1096608/001

Schedule SB, Part V – Summary of plan provisions

Following is a summary of the major plan provisions used to determine the plan's financial position. It should not be used in determining plan benefits.

Effective date and plan year	Original plan: September 1, 1968 Plan year: Calendar year
Definitions	
▪ Participation	All employees enter on the first day of the plan year nearest the last day his qualifying period of employment. The qualifying period of employment is the 12 month period in which the participant works 1,000 hours beginning with the earlier of the hire date or the beginning of the plan year. Participation was frozen to employees hired after January 1, 2004
▪ Vesting service	Elapsed time from membership date
▪ Credited service	Elapsed time from membership date
Production employees	
▪ Final average compensation	Career Average based on compensation earned on or after January 1, 1999 through calendar year preceding retirement.
▪ Accrued benefit	Greater of : (a) $1.0\% \times \text{Final Average Monthly Compensation}$ or (b) $\$14 \times \text{Benefit Service}$ Benefit Service limited to 40 years.
Normal retirement	
▪ Eligibility	Attainment of age 65
▪ Benefit	Commences the first of the month coincident with or next following the 65th birthday. The monthly amount is equal to the Accrued Benefit.

Plan: Sta-Rite Industries Employees' Retirement Plan

EIN/PN : 86-1096608/001

Schedule SB, Part V – Summary of plan provisions (continued)

Early retirement	
▪ Eligibility	Attainment of age 55 and completion of five years of vesting service.
▪ Benefit	For participants who retire with less than 30 years of vesting service, the Accrued Benefit is reduced by 6% for each year benefits commence prior to age 65. For participants who retire with at least 30 years of vesting service, the Accrued Benefit is reduced by 6% for each year benefits commence prior to age 62.
Deferred vested	
▪ Eligibility	Five years of vesting service.
▪ Benefit	Accrued benefit to commence at age 65. May commence as early as age 55 with a reduction for early commencement.
Pre-retirement death	
▪ Eligibility	Five years of continuous service and married at least one year.
▪ Benefit prior to early retirement	If the Participant dies prior to age 55, the benefit will start at the participant's age 55 and will be reduced as if the Participant had been age 55.
▪ Benefit after early retirement	50% of what the employee would have received had he/she retired the day prior to death, elected immediate commencement and elected the 50% Joint & Survivor option.
Form of benefits	
▪ Automatic form for unmarried participants	Life only
▪ Automatic form for married participants	50% Joint and Survivor annuity
▪ Optional forms	50%, 75% and 100% Joint and Survivor annuities; 10 year Certain and Life annuity

Schedule SB, Part V – Summary of plan provisions *(continued)*

Administrative employees	
▪ Final average compensation	Average compensation for the highest five consecutive calendar years during which his compensation was highest within the ten calendar years ending with the year in which his retirement or other termination of employment occurs
▪ Accrued benefit	<p>1) $1.175\% \times \text{FAC} \times \text{Benefit Service less than 25 years}$</p> <p>plus</p> <p>2) $0.500\% \times \text{FAC} \times \text{Benefit Service in excess of 25 years}$</p> <p>plus</p> <p>3) $0.500\% \times \text{FAC in excess of Covered Compensation} \times \text{Benefit Service}$</p> <p>4) But not less than $\\$14 \times \text{Benefit Service}$</p> <p>Benefit Service limited to 40 years.</p>
Normal retirement	
▪ Eligibility	Attainment of Social Security Normal Retirement Age.
▪ Benefit	Commences the first of the month coincident with or next following the attainment of Normal Retirement Age. The monthly amount is equal to the Accrued Benefit.
Early retirement	
▪ Eligibility	Attainment of age 55 and completion of five years of continuous service.
▪ Benefit	<p>For participants who retire with less than 30 years of vesting service, the Accrued Benefit is reduced by 6.667% for each of the first five years preceding normal retirement date and 3.333% for each additional year thereafter.</p> <p>For participants who retire with at least 30 years of vesting service, the Accrued Benefit is reduced by 6.667% for each of the first two years prior to three years preceding normal retirement date and 3.333% for each additional year before three years preceding normal retirement date.</p>

Plan: Sta-Rite Industries Employees' Retirement Plan
EIN/PN : 86-1096608/001

Schedule SB, Part V – Summary of plan provisions *(continued)*

Deferred vested	
▪ Eligibility	Five years of continuous service.
▪ Benefit	Accrued benefit to commence at age normal retirement date. May commence as early as age 55 with a reduction for early commencement.
Pre-retirement death	
▪ Eligibility	Five years of continuous service and married at least one year.
▪ Benefit prior to early retirement	If the Participant dies prior to age 55, the benefit will start at the participant's age 55 and will be reduced as if the Participant had been age 55.
▪ Benefit after early retirement	50% of what the employee would have received had he/she retired the day prior to death, elected immediate commencement and elected the 50% Joint & Survivor option.
Form of benefits	
▪ Automatic form for unmarried participants	Life only
▪ Automatic form for married participants	50% Joint and Survivor annuity
▪ Optional forms	50%, 75% and 100% Joint and Survivor annuities; 10 year Certain and Life annuity
Miscellaneous	
▪ Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2009, the limit is \$245,000.
▪ Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2008, the limit is \$195,000.
▪ Changes since the prior valuation	The salary limit increased from \$230,000 to \$245,000 and the benefit limit increased from \$185,000 to \$195,000. Final average earnings updated from January 1, 1998 to January 1, 1999 for Production employees.

Schedule SB, Part V – Statement of actuarial assumptions/methods

Asset method – effective January 1, 2009

The market value is the amount reported in the year-end trustee statement plus discounted receivable contributions.

We used financial data submitted by the trustee as of the valuation date without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy.

The asset valuation method is an annual average of the adjusted market value over the last 25 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430. A characteristic of this asset valuation method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than market.

Participant methods – effective January 1, 2008

We used the participant data supplied by the plan sponsor. We have reviewed the data and have no reason to doubt its substantial accuracy. Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.
- **Transferred participants:** The liabilities for employees who have transferred into another plan of the plan sponsor have been included with the liabilities for terminated vested participants.

Benefits included or excluded

Unless noted below, all benefits provided by the plan are included in this valuation.

- **Plan amendments:** Amendments adopted after the valuation date or effective after the current plan year are excluded from the valuation.
- **Scheduled benefit increases:** Scheduled benefit increases effective after the end of the current plan year are excluded from minimum funding requirements.

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

▪ **Late retirement increases:**

- *Active participants:* Current active employees over normal retirement age are not valued using late increases as continued service accruals are assumed to exceed any late increases.
- *Deferred vested participants:* Current deferred vested participants over normal age are valued including the late retirement actuarial increase.

- **Shutdown benefits:** We are not aware of any corporate actions that would create shutdown benefits; therefore, they are excluded.

- **IRC Section 415(b):** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.

- **Benefit restrictions:** Benefit restrictions (if applicable) are ignored in this valuation.

Plan sponsor elections

Funding interest rate

- Full yield curve
- 2 look-back months

Mortality:

- Static annuitant and non-annuitant tables

Valuation of lump sums based on Section 417(e) assumptions:

- Not applicable

Asset method:

- Average asset value with 25 month average period and annual frequency of valuation

Expected Expenses:

- Include expected administrative expenses and PBGC premiums in the funding target normal cost, but exclude expected investment expenses

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Minimum funding method

Target liability for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **accrued liability** is the present value of benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **normal cost** is the present value of the benefit deemed to accrue in the plan year. If multiple decrements are used, the accrued liability and the normal cost for an individual are the sum of the component accrued liabilities and normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual normal costs, and the plan's **funding target liability** is the sum of the accrued liabilities for all participants under the plan.

Maximum deductible contribution method

Calculations of maximum deductible contributions include the excess of the accrued liability computed using the projected unit credit method over the minimum funding target liability. The objective of the projected unit credit method is to fund each participant's benefits under the plan as they accrue, taking into consideration future compensation increases. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **projected accrued liability** is the present value of benefits based on credited service as of the beginning of the plan year and projected compensation that would be used in the calculation of the benefit on each expected separation date. If multiple decrements are used, the accrued liability for an individual is the sum of the component accrued liabilities associated with the various anticipated separation dates.
- The plan's **projected funding target liability** is the sum of the projected accrued liabilities for all participants under the plan.

Plan: Sta-Rite Industries Employees' Retirement Plan
EIN/PN : 86-1096608/001

Schedule SB, Part V – Statement of actuarial assumptions/methods (continued)

Discount rate elections¹	Full yield curve with 2 look-back months	
Mortality elections	2009 PPA separate static annuitant and nonannuitant mortality tables	
Other economic assumptions		
▪ Salary increases	0.00% for 2009 and 4.50% thereafter	
▪ Social Security wage base	4.00% per year	
▪ Inflation	3.00% per year	
▪ Expected investment return	8.50% for 2007 through 2009	
▪ Expenses	\$325,000 added to current year normal cost	
Demographic assumptions		
Withdrawal	See table of sample rates.	
Disability incidence	None assumed.	
Retirement age	See table of sample rates.	
Benefit commencement age for		
▪ Future vested deferred not covered by a subsequent bullet	65	
▪ Current vested deferred not covered by a subsequent bullet	65	
▪ Administrative Employees Born after 1937 and before 1955	66	
▪ Administrative Employees Born after 1954	67	
Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>
▪ Percentage married	75%	75%
▪ Spouse age difference	2 years younger	2 years older

¹ Based on interest rate methodology elections described herein.

Plan: Sta-Rite Industries Employees' Retirement Plan

EIN/PN : 86-1096608/001

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Form of payment	<u>Single life</u>	<u>50% J&S</u>	<u>100% J&S</u>
▪ Active retirements	50%	17%	33%
▪ Future vested deferred	50%	17%	33%
▪ Future deaths	100%	0%	0%
▪ Current vested deferred	50%	17%	33%

Table of Sample Rates

Attained Age	<u>Withdrawal Percentage</u>		Attained Age	<u>Retirement Percentage</u>	
	Male	Female		Administrative	Production
25	11.60%	11.60%	55	2.0%	2.0%
30	6.70%	6.70%	56	2.0%	2.0%
35	5.10%	5.10%	57	2.0%	2.0%
40	3.90%	3.90%	58	2.0%	2.0%
45	2.80%	2.80%	59	2.0%	2.0%
50	1.40%	1.40%	60	6.0%	10.0%
55+	0.00%	0.00%	61	6.0%	5.0%
			62	6.0%	8.0%
			63	12.0%	25.0%
			64	15.0%	25.0%
			65+	100.0%	100.0%

Schedule SB, Line 24 – Change in actuarial assumptions

Interest discounts and mortality rates were updated from 2008 to 2009 in accordance with PPA and sponsor elections.

The salary increases assumption changed from 5.00% for all future years to 0% for 2009 and 4.5% thereafter to better reflect anticipated plan experience.

Schedule SB, Line 25 – Change in method

Beginning with the 2009 valuation, expected administrative expenses are added to the normal cost.

The asset method was changed from the fair market value to the average asset value as modified by the Worker, Retiree, and Employer Recovery Act of 2008 and described in IRS Notice 2009-22.

The basis for the interest discount rate was changed from segmented rates without phase-in and no look-back months to the full yield curve with 2 look-back months.

Plan: Sta-Rite Industries Employees' Retirement Plan
EIN/PN : 86-1096608/001

Schedule SB, Line 26 – Schedule of active participant data

Attained age	Years of Credited Service										40 & Up	Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39			
< 25			1									1
			*									*
25 - 29			26	2								28
			39,162	*								*
30 - 34			26	14	3							43
			48,666	*	*							*
35 - 39			30	8	9	1						48
			57,561	*	*	*						*
40 - 44			38	15	5	29						87
			54,795	*	*	53,270						53,446
45 - 49			36	8	13	20	8	4				89
			55,479	*	*	60,640	*	*				56,989
50 - 54			23	16	14	17	6	28	7			111
			54,257	*	*	*	*	54,114	*			58,048
55 - 59			17	5	3	11	5	10	25	1		77
			*	*	*	*	*	*	57,035	*		55,734
60 - 64			8	8	1	4	6	3	11	4		45
			*	*	*	*	*	*	*	*		57,170
65 - 69			1			1		1		1		4
			*			*		*		*		*
70+				1					1			2
				*					*			*
Total	0	0	206	77	48	83	25	46	44	6		535
	N/A	N/A	52,931	55,290	53,853	54,934	66,534	*	*	*		54,678

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average pay for 2008 in that group limited to \$230,000. Average pay is not shown for cells with fewer than 20 participants.

Plan: Sta-Rite Industries Employees' Retirement Plan
EIN/PN : 86-1096608/001

Schedule SB, Line 32 – Schedule of amortization bases

Base	Amortization Period			Balances		Installment
	Date created	Initial years	Years left	Initial	Outstanding	
Shortfall loss	1/1/09	7	7	\$6,316,231	\$ 6,316,231	\$ 1,120,807
Total					\$ 6,316,231	\$ 1,120,807

Pentair, Inc.
5500 Wayzata Boulevard
Suite 800
Minneapolis, MN 55416-1261
763 545 1730 Tel
763 656 5400 Fax



September 15, 2010

US Department of Labor
EBSA
PO Box 7043
Lawrence, KS 66044-7043

RE: Pentair, Inc. Master Trust
EIN/PN 25-6346358 / 000
For Plan Year Ending 12/31/2009
Plan Number Change from 000 to 001

Please be aware that we've changed the Plan Number from "000" to "001" for the Form 5500 filing for Plan Year ending 12/31/2009.

This change was made because a Plan Number of "000" is an invalid Plan Number on our third party software, and we expected it to be an invalid Plan Number on EFAST2.

Craig Berdan
763-656-5233

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2009**This Form is Open to Public
Inspection**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

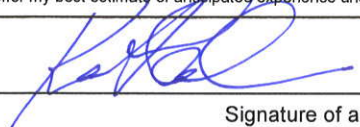
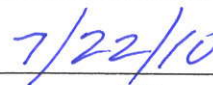
A Name of plan Sta-Rite Industries Employees Retirement Plan		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Sta-Rite Industries, LLC		D Employer Identification Number (EIN) 86-1096608
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2009</u>			
2 Assets:			
a Market value.....		2a	56,777,144
b Actuarial value.....		2b	62,454,858
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....		3a	898
b For terminated vested participants.....		3b	703
c For active participants:			
(1) Non-vested benefits.....		3c(1)	1,009,861
(2) Vested benefits.....		3c(2)	18,404,590
(3) Total active.....		3c(3)	535
d Total.....		3d	2,136
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions.....		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....		4b	
5 Effective interest rate.....		5	8.12 %
6 Target normal cost.....		6	1,520,439

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		
Signature of actuary		Date
Kate P. Edison, FSA, EA		08-07080
Type or print name of actuary		Most recent enrollment number
Mercer		(612) 642-8600
Firm name		Telephone number (including area code)
333 South 7th Street, Suite 1600		
Minneapolis		
Address of the firm		
MN 55402-2427		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	4,987,344	N/A
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	1,426,865	
9	Amount remaining (Item 7 minus item 8)	3,560,479	0
10	Interest on item 9 using prior year's actual return of <u>(29.17)</u> %	(1,038,592)	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		0
b	Interest on (a) using prior year's effective rate of _____%		
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		0
12	Reduction in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	2,521,887	0

Part III Funding percentages			
14	Funding target attainment percentage	14	85.03 %
15	Adjusted funding target attainment percentage	15	85.03 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	98.19 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
12/31/2009	7,700,000				
07/02/2010	2,200,000				
Totals ►			18(b)	9,900,000	18(c)
					0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years	19a
b Contributions made to avoid restrictions adjusted to valuation date	19b
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c
	9,080,327

20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)	21b			2
22 Weighted average retirement age	22			63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	1,520,439
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	6,316,231	1,120,807
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	2,641,246
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	1,597,509	0
36 Additional cash requirement (item 34 minus item 35)	36	1,043,737
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	9,080,327
38 Interest-adjusted excess contributions for current year (see instructions)	38	8,036,590
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

Plan: Sta-Rite Industries Employees' Retirement Plan
EIN/PN : 86-1096608/001

Schedule SB, Part V – Summary of plan provisions

Following is a summary of the major plan provisions used to determine the plan's financial position. It should not be used in determining plan benefits.

Effective date and plan year	Original plan: September 1, 1968 Plan year: Calendar year
Definitions	
▪ Participation	All employees enter on the first day of the plan year nearest the last day his qualifying period of employment. The qualifying period of employment is the 12 month period in which the participant works 1,000 hours beginning with the earlier of the hire date or the beginning of the plan year. Participation was frozen to employees hired after January 1, 2004
▪ Vesting service	Elapsed time from membership date
▪ Credited service	Elapsed time from membership date
Production employees	
▪ Final average compensation	Career Average based on compensation earned on or after January 1, 1999 through calendar year preceding retirement.
▪ Accrued benefit	Greater of : (a) 1.0% x Final Average Monthly Compensation or (b) \$14 x Benefit Service Benefit Service limited to 40 years.
Normal retirement	
▪ Eligibility	Attainment of age 65
▪ Benefit	Commences the first of the month coincident with or next following the 65th birthday. The monthly amount is equal to the Accrued Benefit.

Schedule SB, Part V – Summary of plan provisions *(continued)*

Early retirement	
▪ Eligibility	Attainment of age 55 and completion of five years of vesting service.
▪ Benefit	For participants who retire with less than 30 years of vesting service, the Accrued Benefit is reduced by 6% for each year benefits commence prior to age 65. For participants who retire with at least 30 years of vesting service, the Accrued Benefit is reduced by 6% for each year benefits commence prior to age 62.
Deferred vested	
▪ Eligibility	Five years of vesting service.
▪ Benefit	Accrued benefit to commence at age 65. May commence as early as age 55 with a reduction for early commencement.
Pre-retirement death	
▪ Eligibility	Five years of continuous service and married at least one year.
▪ Benefit prior to early retirement	If the Participant dies prior to age 55, the benefit will start at the participant's age 55 and will be reduced as if the Participant had been age 55.
▪ Benefit after early retirement	50% of what the employee would have received had he/she retired the day prior to death, elected immediate commencement and elected the 50% Joint & Survivor option.
Form of benefits	
▪ Automatic form for unmarried participants	Life only
▪ Automatic form for married participants	50% Joint and Survivor annuity
▪ Optional forms	50%, 75% and 100% Joint and Survivor annuities; 10 year Certain and Life annuity

Schedule SB, Part V – Summary of plan provisions *(continued)*

Administrative employees	
▪ Final average compensation	Average compensation for the highest five consecutive calendar years during which his compensation was highest within the ten calendar years ending with the year in which his retirement or other termination of employment occurs
▪ Accrued benefit	<p>1) $1.175\% \times \text{FAC} \times \text{Benefit Service less than 25 years}$</p> <p>plus</p> <p>2) $0.500\% \times \text{FAC} \times \text{Benefit Service in excess of 25 years}$</p> <p>plus</p> <p>3) $0.500\% \times \text{FAC in excess of Covered Compensation} \times \text{Benefit Service}$</p> <p>4) But not less than $\\$14 \times \text{Benefit Service}$</p> <p>Benefit Service limited to 40 years.</p>
Normal retirement	
▪ Eligibility	Attainment of Social Security Normal Retirement Age.
▪ Benefit	Commences the first of the month coincident with or next following the attainment of Normal Retirement Age. The monthly amount is equal to the Accrued Benefit.
Early retirement	
▪ Eligibility	Attainment of age 55 and completion of five years of continuous service.
▪ Benefit	<p>For participants who retire with less than 30 years of vesting service, the Accrued Benefit is reduced by 6.667% for each of the first five years preceding normal retirement date and 3.333% for each additional year thereafter.</p> <p>For participants who retire with at least 30 years of vesting service, the Accrued Benefit is reduced by 6.667% for each of the first two years prior to three years preceding normal retirement date and 3.333% for each additional year before three years preceding normal retirement date.</p>

Plan: Sta-Rite Industries Employees' Retirement Plan
EIN/PN : 86-1096608/001

Schedule SB, Part V – Summary of plan provisions *(continued)*

Deferred vested	
▪ Eligibility	Five years of continuous service.
▪ Benefit	Accrued benefit to commence at age normal retirement date. May commence as early as age 55 with a reduction for early commencement.
Pre-retirement death	
▪ Eligibility	Five years of continuous service and married at least one year.
▪ Benefit prior to early retirement	If the Participant dies prior to age 55, the benefit will start at the participant's age 55 and will be reduced as if the Participant had been age 55.
▪ Benefit after early retirement	50% of what the employee would have received had he/she retired the day prior to death, elected immediate commencement and elected the 50% Joint & Survivor option.
Form of benefits	
▪ Automatic form for unmarried participants	Life only
▪ Automatic form for married participants	50% Joint and Survivor annuity
▪ Optional forms	50%, 75% and 100% Joint and Survivor annuities; 10 year Certain and Life annuity
Miscellaneous	
▪ Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2009, the limit is \$245,000.
▪ Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2008, the limit is \$195,000.
▪ Changes since the prior valuation	The salary limit increased from \$230,000 to \$245,000 and the benefit limit increased from \$185,000 to \$195,000. Final average earnings updated from January 1, 1998 to January 1, 1999 for Production employees.

Schedule SB, Part V – Statement of actuarial assumptions/methods

Asset method – effective January 1, 2009

The market value is the amount reported in the year-end trustee statement plus discounted receivable contributions.

We used financial data submitted by the trustee as of the valuation date without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy.

The asset valuation method is an annual average of the adjusted market value over the last 25 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430. A characteristic of this asset valuation method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than market.

Participant methods – effective January 1, 2008

We used the participant data supplied by the plan sponsor. We have reviewed the data and have no reason to doubt its substantial accuracy. Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.
- **Transferred participants:** The liabilities for employees who have transferred into another plan of the plan sponsor have been included with the liabilities for terminated vested participants.

Benefits included or excluded

Unless noted below, all benefits provided by the plan are included in this valuation.

- **Plan amendments:** Amendments adopted after the valuation date or effective after the current plan year are excluded from the valuation.
- **Scheduled benefit increases:** Scheduled benefit increases effective after the end of the current plan year are excluded from minimum funding requirements.

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

▪ **Late retirement increases:**

- *Active participants:* Current active employees over normal retirement age are not valued using late increases as continued service accruals are assumed to exceed any late increases.
- *Deferred vested participants:* Current deferred vested participants over normal age are valued including the late retirement actuarial increase.

▪ **Shutdown benefits:** We are not aware of any corporate actions that would create shutdown benefits; therefore, they are excluded.

▪ **IRC Section 415(b):** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.

▪ **Benefit restrictions:** Benefit restrictions (if applicable) are ignored in this valuation.

Plan sponsor elections

Funding interest rate

- Full yield curve
- 2 look-back months

Mortality:

- Static annuitant and non-annuitant tables

Valuation of lump sums based on Section 417(e) assumptions:

- Not applicable

Asset method:

- Average asset value with 25 month average period and annual frequency of valuation

Expected Expenses:

- Include expected administrative expenses and PBGC premiums in the funding target normal cost, but exclude expected investment expenses

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Minimum funding method

Target liability for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **accrued liability** is the present value of benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **normal cost** is the present value of the benefit deemed to accrue in the plan year. If multiple decrements are used, the accrued liability and the normal cost for an individual are the sum of the component accrued liabilities and normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual normal costs, and the plan's **funding target liability** is the sum of the accrued liabilities for all participants under the plan.

Maximum deductible contribution method

Calculations of maximum deductible contributions include the excess of the accrued liability computed using the projected unit credit method over the minimum funding target liability. The objective of the projected unit credit method is to fund each participant's benefits under the plan as they accrue, taking into consideration future compensation increases. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **projected accrued liability** is the present value of benefits based on credited service as of the beginning of the plan year and projected compensation that would be used in the calculation of the benefit on each expected separation date. If multiple decrements are used, the accrued liability for an individual is the sum of the component accrued liabilities associated with the various anticipated separation dates.
- The plan's **projected funding target liability** is the sum of the projected accrued liabilities for all participants under the plan.

Plan: Sta-Rite Industries Employees' Retirement Plan
EIN/PN : 86-1096608/001

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Discount rate elections¹	Full yield curve with 2 look-back months	
Mortality elections	2009 PPA separate static annuitant and nonannuitant mortality tables	
Other economic assumptions		
▪ Salary increases	0.00% for 2009 and 4.50% thereafter	
▪ Social Security wage base	4.00% per year	
▪ Inflation	3.00% per year	
▪ Expected investment return	8.50% for 2007 through 2009	
▪ Expenses	\$325,000 added to current year normal cost	
Demographic assumptions		
Withdrawal	See table of sample rates.	
Disability incidence	None assumed.	
Retirement age	See table of sample rates.	
Benefit commencement age for		
▪ Future vested deferred not covered by a subsequent bullet	65	
▪ Current vested deferred not covered by a subsequent bullet	65	
▪ Administrative Employees Born after 1937 and before 1955	66	
▪ Administrative Employees Born after 1954	67	
Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>
▪ Percentage married	75%	75%
▪ Spouse age difference	2 years younger	2 years older

¹ Based on interest rate methodology elections described herein.

Plan: Sta-Rite Industries Employees' Retirement Plan
EIN/PN : 86-1096608/001

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Form of payment	<u>Single life</u>	<u>50% J&S</u>	<u>100% J&S</u>
▪ Active retirements	50%	17%	33%
▪ Future vested deferred	50%	17%	33%
▪ Future deaths	100%	0%	0%
▪ Current vested deferred	50%	17%	33%

Table of Sample Rates

Attained Age	<u>Withdrawal Percentage</u>		Attained Age	<u>Retirement Percentage</u>	
	Male	Female		Administrative	Production
25	11.60%	11.60%	55	2.0%	2.0%
30	6.70%	6.70%	56	2.0%	2.0%
35	5.10%	5.10%	57	2.0%	2.0%
40	3.90%	3.90%	58	2.0%	2.0%
45	2.80%	2.80%	59	2.0%	2.0%
50	1.40%	1.40%	60	6.0%	10.0%
55+	0.00%	0.00%	61	6.0%	5.0%
			62	6.0%	8.0%
			63	12.0%	25.0%
			64	15.0%	25.0%
			65+	100.0%	100.0%

Plan: Sta-Rite Industries Employees' Retirement Plan
EIN/PN : 86-1096608/001

Schedule SB, Line 22 – Description of weighted average retirement age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 63.

Administrative

(A) Retirement age	(B) Number of employees expected to retire, per 1000 retirements	(C) (A) X (B)
55	20.00	1,100.00
56	19.60	1,097.60
57	19.21	1,094.86
58	18.82	1,091.78
59	18.45	1,088.39
60	54.24	3,254.11
61	50.98	3,109.85
62	47.92	2,971.18
63	90.09	5,675.91
64	99.10	5,342.61
65	561.59	36,503.03
Total	1,000.00	63,329.33
Average		63.33

Production

(A) Retirement age	(B) Number of employees expected to retire, per 1000 retirements	(C) (A) X (B)
55	20.00	1,100.00
56	19.60	1,097.60
57	19.21	1,094.86
58	18.82	1,091.78
59	18.45	1,088.39
60	90.39	5,423.52
61	40.68	2,481.26
62	61.83	3,833.35
63	177.76	11,198.63
64	13332	8,532.29
65	399.95	25,996.82
Total	1,000.00	62,938.51
Average		62.94

Schedule SB, Line 24 – Change in actuarial assumptions

Interest discounts and mortality rates were updated from 2008 to 2009 in accordance with PPA and sponsor elections.

The salary increases assumption changed from 5.00% for all future years to 0% for 2009 and 4.5% thereafter to better reflect anticipated plan experience.

Schedule SB, Line 25 – Change in method

Beginning with the 2009 valuation, expected administrative expenses are added to the normal cost.

The asset method was changed from the fair market value to the average asset value as modified by the Worker, Retiree, and Employer Recovery Act of 2008 and described in IRS Notice 2009-22.

The basis for the interest discount rate was changed from segmented rates without phase-in and no look-back months to the full yield curve with 2 look-back months.

Plan: Sta-Rite Industries Employees' Retirement Plan
EIN/PN : 86-1096608/001

Schedule SB, Line 26 – Schedule of active participant data

Attained age	Years of Credited Service									40 & Up	Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39		
< 25			1 *								1 *
25 - 29			26 39,162	2 *							28 *
30 - 34			26 48,666	14 *	3 *						43 *
35 - 39			30 57,561	8 *	9 *	1 *					48 *
40 - 44			38 54,795	15 *	5 *	29 53,270					87 53,446
45 - 49			36 55,479	8 *	13 *	20 60,640	8 *	4 *			89 56,989
50 - 54			23 54,257	16 *	14 *	17 *	6 *	28 54,114	7 *		111 58,048
55 - 59			17 *	5 *	3 *	11 *	5 *	10 *	25 57,035	1 *	77 55,734
60 - 64			8 *	8 *	1 *	4 *	6 *	3 *	11 *	4 *	45 57,170
65 - 69			1 *			1 *		1 *		1 *	4 *
70+				1 *					1 *		2 *
Total	0 N/A	0 N/A	206 52,931	77 55,290	48 53,853	83 54,934	25 66,534	46 *	44 *	6 *	535 54,678

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average pay for 2008 in that group limited to \$230,000. Average pay is not shown for cells with fewer than 20 participants.

Plan: Sta-Rite Industries Employees' Retirement Plan
EIN/PN : 86-1096608/001

Schedule SB, Line 32 – Schedule of amortization bases

Base	Amortization Period			Balances		Installment
	Date created	Initial years	Years left	Initial	Outstanding	
Shortfall loss	1/1/09	7	7	\$6,316,231	\$ 6,316,231	\$ 1,120,807
Total					\$ 6,316,231	\$ 1,120,807

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2009**This Form is Open to Public
Inspection**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

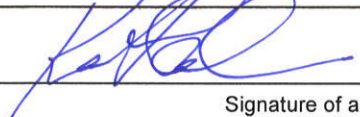
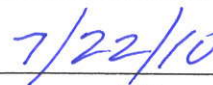
A Name of plan Sta-Rite Industries Employees Retirement Plan		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Sta-Rite Industries, LLC		D Employer Identification Number (EIN) 86-1096608
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2009</u>			
2 Assets:			
a Market value.....		2a	56,777,144
b Actuarial value.....		2b	62,454,858
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....		3a	898
b For terminated vested participants.....		3b	703
c For active participants:			
(1) Non-vested benefits.....		3c(1)	1,009,861
(2) Vested benefits.....		3c(2)	18,404,590
(3) Total active.....		3c(3)	535
d Total.....		3d	2,136
4 If the plan is at-risk, check the box and complete items (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions.....		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....		4b	
5 Effective interest rate.....		5	8.12 %
6 Target normal cost.....		6	1,520,439

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		
	Signature of actuary	Date
Kate P. Edison, FSA, EA		08-07080
Type or print name of actuary		Most recent enrollment number
Mercer		(612) 642-8600
Firm name		Telephone number (including area code)
333 South 7th Street, Suite 1600		
Minneapolis		
Address of the firm		
MN 55402-2427		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	4,987,344	N/A
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	1,426,865	
9	Amount remaining (Item 7 minus item 8)	3,560,479	0
10	Interest on item 9 using prior year's actual return of <u>29.17</u> %	(1,038,592)	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		0
b	Interest on (a) using prior year's effective rate of _____%		
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		0
12	Reduction in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	2,521,887	0

Part III Funding percentages			
14	Funding target attainment percentage	14	85.03 %
15	Adjusted funding target attainment percentage	15	85.03 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	98.19 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
12/31/2009	7,700,000				
07/02/2010	2,200,000				
Totals ►			18(b)	9,900,000	18(c)
					0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years	19a
b Contributions made to avoid restrictions adjusted to valuation date	19b
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c
	9,080,327

20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)	21b			2
22 Weighted average retirement age	22			63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	1,520,439
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	6,316,231	1,120,807
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	2,641,246
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	1,597,509	0
36 Additional cash requirement (item 34 minus item 35)	36	1,043,737
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	9,080,327
38 Interest-adjusted excess contributions for current year (see instructions)	38	8,036,590
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

Plan: Sta-Rite Industries Employees' Retirement Plan
EIN/PN : 86-1096608/001

Schedule SB, Part V – Summary of plan provisions

Following is a summary of the major plan provisions used to determine the plan's financial position. It should not be used in determining plan benefits.

Effective date and plan year	Original plan: September 1, 1968 Plan year: Calendar year
Definitions	
▪ Participation	All employees enter on the first day of the plan year nearest the last day his qualifying period of employment. The qualifying period of employment is the 12 month period in which the participant works 1,000 hours beginning with the earlier of the hire date or the beginning of the plan year. Participation was frozen to employees hired after January 1, 2004
▪ Vesting service	Elapsed time from membership date
▪ Credited service	Elapsed time from membership date
Production employees	
▪ Final average compensation	Career Average based on compensation earned on or after January 1, 1999 through calendar year preceding retirement.
▪ Accrued benefit	Greater of : (a) 1.0% x Final Average Monthly Compensation or (b) \$14 x Benefit Service Benefit Service limited to 40 years.
Normal retirement	
▪ Eligibility	Attainment of age 65
▪ Benefit	Commences the first of the month coincident with or next following the 65th birthday. The monthly amount is equal to the Accrued Benefit.

Schedule SB, Part V – Summary of plan provisions *(continued)*

Early retirement	
▪ Eligibility	Attainment of age 55 and completion of five years of vesting service.
▪ Benefit	For participants who retire with less than 30 years of vesting service, the Accrued Benefit is reduced by 6% for each year benefits commence prior to age 65. For participants who retire with at least 30 years of vesting service, the Accrued Benefit is reduced by 6% for each year benefits commence prior to age 62.
Deferred vested	
▪ Eligibility	Five years of vesting service.
▪ Benefit	Accrued benefit to commence at age 65. May commence as early as age 55 with a reduction for early commencement.
Pre-retirement death	
▪ Eligibility	Five years of continuous service and married at least one year.
▪ Benefit prior to early retirement	If the Participant dies prior to age 55, the benefit will start at the participant's age 55 and will be reduced as if the Participant had been age 55.
▪ Benefit after early retirement	50% of what the employee would have received had he/she retired the day prior to death, elected immediate commencement and elected the 50% Joint & Survivor option.
Form of benefits	
▪ Automatic form for unmarried participants	Life only
▪ Automatic form for married participants	50% Joint and Survivor annuity
▪ Optional forms	50%, 75% and 100% Joint and Survivor annuities; 10 year Certain and Life annuity

Schedule SB, Part V – Summary of plan provisions *(continued)*

Administrative employees	
▪ Final average compensation	Average compensation for the highest five consecutive calendar years during which his compensation was highest within the ten calendar years ending with the year in which his retirement or other termination of employment occurs
▪ Accrued benefit	<p>1) $1.175\% \times \text{FAC} \times \text{Benefit Service less than 25 years}$</p> <p>plus</p> <p>2) $0.500\% \times \text{FAC} \times \text{Benefit Service in excess of 25 years}$</p> <p>plus</p> <p>3) $0.500\% \times \text{FAC in excess of Covered Compensation} \times \text{Benefit Service}$</p> <p>4) But not less than $\\$14 \times \text{Benefit Service}$</p> <p>Benefit Service limited to 40 years.</p>
Normal retirement	
▪ Eligibility	Attainment of Social Security Normal Retirement Age.
▪ Benefit	Commences the first of the month coincident with or next following the attainment of Normal Retirement Age. The monthly amount is equal to the Accrued Benefit.
Early retirement	
▪ Eligibility	Attainment of age 55 and completion of five years of continuous service.
▪ Benefit	<p>For participants who retire with less than 30 years of vesting service, the Accrued Benefit is reduced by 6.667% for each of the first five years preceding normal retirement date and 3.333% for each additional year thereafter.</p> <p>For participants who retire with at least 30 years of vesting service, the Accrued Benefit is reduced by 6.667% for each of the first two years prior to three years preceding normal retirement date and 3.333% for each additional year before three years preceding normal retirement date.</p>

Plan: Sta-Rite Industries Employees' Retirement Plan
EIN/PN : 86-1096608/001

Schedule SB, Part V – Summary of plan provisions *(continued)*

Deferred vested	
▪ Eligibility	Five years of continuous service.
▪ Benefit	Accrued benefit to commence at age normal retirement date. May commence as early as age 55 with a reduction for early commencement.
Pre-retirement death	
▪ Eligibility	Five years of continuous service and married at least one year.
▪ Benefit prior to early retirement	If the Participant dies prior to age 55, the benefit will start at the participant's age 55 and will be reduced as if the Participant had been age 55.
▪ Benefit after early retirement	50% of what the employee would have received had he/she retired the day prior to death, elected immediate commencement and elected the 50% Joint & Survivor option.
Form of benefits	
▪ Automatic form for unmarried participants	Life only
▪ Automatic form for married participants	50% Joint and Survivor annuity
▪ Optional forms	50%, 75% and 100% Joint and Survivor annuities; 10 year Certain and Life annuity
Miscellaneous	
▪ Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2009, the limit is \$245,000.
▪ Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2008, the limit is \$195,000.
▪ Changes since the prior valuation	The salary limit increased from \$230,000 to \$245,000 and the benefit limit increased from \$185,000 to \$195,000. Final average earnings updated from January 1, 1998 to January 1, 1999 for Production employees.

Schedule SB, Part V – Statement of actuarial assumptions/methods

Asset method – effective January 1, 2009

The market value is the amount reported in the year-end trustee statement plus discounted receivable contributions.

We used financial data submitted by the trustee as of the valuation date without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy.

The asset valuation method is an annual average of the adjusted market value over the last 25 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430. A characteristic of this asset valuation method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than market.

Participant methods – effective January 1, 2008

We used the participant data supplied by the plan sponsor. We have reviewed the data and have no reason to doubt its substantial accuracy. Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.
- **Transferred participants:** The liabilities for employees who have transferred into another plan of the plan sponsor have been included with the liabilities for terminated vested participants.

Benefits included or excluded

Unless noted below, all benefits provided by the plan are included in this valuation.

- **Plan amendments:** Amendments adopted after the valuation date or effective after the current plan year are excluded from the valuation.
- **Scheduled benefit increases:** Scheduled benefit increases effective after the end of the current plan year are excluded from minimum funding requirements.

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

▪ **Late retirement increases:**

- *Active participants:* Current active employees over normal retirement age are not valued using late increases as continued service accruals are assumed to exceed any late increases.
- *Deferred vested participants:* Current deferred vested participants over normal age are valued including the late retirement actuarial increase.

▪ **Shutdown benefits:** We are not aware of any corporate actions that would create shutdown benefits; therefore, they are excluded.

▪ **IRC Section 415(b):** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.

▪ **Benefit restrictions:** Benefit restrictions (if applicable) are ignored in this valuation.

Plan sponsor elections

Funding interest rate

- Full yield curve
- 2 look-back months

Mortality:

- Static annuitant and non-annuitant tables

Valuation of lump sums based on Section 417(e) assumptions:

- Not applicable

Asset method:

- Average asset value with 25 month average period and annual frequency of valuation

Expected Expenses:

- Include expected administrative expenses and PBGC premiums in the funding target normal cost, but exclude expected investment expenses

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Minimum funding method

Target liability for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **accrued liability** is the present value of benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **normal cost** is the present value of the benefit deemed to accrue in the plan year. If multiple decrements are used, the accrued liability and the normal cost for an individual are the sum of the component accrued liabilities and normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual normal costs, and the plan's **funding target liability** is the sum of the accrued liabilities for all participants under the plan.

Maximum deductible contribution method

Calculations of maximum deductible contributions include the excess of the accrued liability computed using the projected unit credit method over the minimum funding target liability. The objective of the projected unit credit method is to fund each participant's benefits under the plan as they accrue, taking into consideration future compensation increases. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **projected accrued liability** is the present value of benefits based on credited service as of the beginning of the plan year and projected compensation that would be used in the calculation of the benefit on each expected separation date. If multiple decrements are used, the accrued liability for an individual is the sum of the component accrued liabilities associated with the various anticipated separation dates.
- The plan's **projected funding target liability** is the sum of the projected accrued liabilities for all participants under the plan.

Plan: Sta-Rite Industries Employees' Retirement Plan
EIN/PN : 86-1096608/001

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Discount rate elections¹	Full yield curve with 2 look-back months	
Mortality elections	2009 PPA separate static annuitant and nonannuitant mortality tables	
Other economic assumptions		
▪ Salary increases	0.00% for 2009 and 4.50% thereafter	
▪ Social Security wage base	4.00% per year	
▪ Inflation	3.00% per year	
▪ Expected investment return	8.50% for 2007 through 2009	
▪ Expenses	\$325,000 added to current year normal cost	
Demographic assumptions		
Withdrawal	See table of sample rates.	
Disability incidence	None assumed.	
Retirement age	See table of sample rates.	
Benefit commencement age for		
▪ Future vested deferred not covered by a subsequent bullet	65	
▪ Current vested deferred not covered by a subsequent bullet	65	
▪ Administrative Employees Born after 1937 and before 1955	66	
▪ Administrative Employees Born after 1954	67	
Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>
▪ Percentage married	75%	75%
▪ Spouse age difference	2 years younger	2 years older

¹ Based on interest rate methodology elections described herein.

Plan: Sta-Rite Industries Employees' Retirement Plan
EIN/PN : 86-1096608/001

Schedule SB, Part V – Statement of actuarial assumptions/methods *(continued)*

Form of payment	<u>Single life</u>	<u>50% J&S</u>	<u>100% J&S</u>
▪ Active retirements	50%	17%	33%
▪ Future vested deferred	50%	17%	33%
▪ Future deaths	100%	0%	0%
▪ Current vested deferred	50%	17%	33%

Table of Sample Rates

Attained Age	<u>Withdrawal Percentage</u>		Attained Age	<u>Retirement Percentage</u>	
	Male	Female		Administrative	Production
25	11.60%	11.60%	55	2.0%	2.0%
30	6.70%	6.70%	56	2.0%	2.0%
35	5.10%	5.10%	57	2.0%	2.0%
40	3.90%	3.90%	58	2.0%	2.0%
45	2.80%	2.80%	59	2.0%	2.0%
50	1.40%	1.40%	60	6.0%	10.0%
55+	0.00%	0.00%	61	6.0%	5.0%
			62	6.0%	8.0%
			63	12.0%	25.0%
			64	15.0%	25.0%
			65+	100.0%	100.0%

Plan: Sta-Rite Industries Employees' Retirement Plan
EIN/PN : 86-1096608/001

Schedule SB, Line 22 – Description of weighted average retirement age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 63.

Administrative

(A) Retirement age	(B) Number of employees expected to retire, per 1000 retirements	(C) (A) X (B)
55	20.00	1,100.00
56	19.60	1,097.60
57	19.21	1,094.86
58	18.82	1,091.78
59	18.45	1,088.39
60	54.24	3,254.11
61	50.98	3,109.85
62	47.92	2,971.18
63	90.09	5,675.91
64	99.10	5,342.61
65	561.59	36,503.03
Total	1,000.00	63,329.33
Average		63.33

Production

(A) Retirement age	(B) Number of employees expected to retire, per 1000 retirements	(C) (A) X (B)
55	20.00	1,100.00
56	19.60	1,097.60
57	19.21	1,094.86
58	18.82	1,091.78
59	18.45	1,088.39
60	90.39	5,423.52
61	40.68	2,481.26
62	61.83	3,833.35
63	177.76	11,198.63
64	13332	8,532.29
65	399.95	25,996.82
Total	1,000.00	62,938.51
Average		62.94

Schedule SB, Line 24 – Change in actuarial assumptions

Interest discounts and mortality rates were updated from 2008 to 2009 in accordance with PPA and sponsor elections.

The salary increases assumption changed from 5.00% for all future years to 0% for 2009 and 4.5% thereafter to better reflect anticipated plan experience.

Schedule SB, Line 25 – Change in method

Beginning with the 2009 valuation, expected administrative expenses are added to the normal cost.

The asset method was changed from the fair market value to the average asset value as modified by the Worker, Retiree, and Employer Recovery Act of 2008 and described in IRS Notice 2009-22.

The basis for the interest discount rate was changed from segmented rates without phase-in and no look-back months to the full yield curve with 2 look-back months.

Plan: Sta-Rite Industries Employees' Retirement Plan
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Schedule SB, Line 26 – Schedule of active participant data

Attained age	Years of Credited Service									40 & Up	Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39		
< 25			1 *								1 *
25 - 29			26 39,162	2 *							28 *
30 - 34			26 48,666	14 *	3 *						43 *
35 - 39			30 57,561	8 *	9 *	1 *					48 *
40 - 44			38 54,795	15 *	5 *	29 53,270					87 53,446
45 - 49			36 55,479	8 *	13 *	20 60,640	8 *	4 *			89 56,989
50 - 54			23 54,257	16 *	14 *	17 *	6 *	28 54,114	7 *		111 58,048
55 - 59			17 *	5 *	3 *	11 *	5 *	10 *	25 57,035	1 *	77 55,734
60 - 64			8 *	8 *	1 *	4 *	6 *	3 *	11 *	4 *	45 57,170
65 - 69			1 *			1 *		1 *		1 *	4 *
70+				1 *					1 *		2 *
Total	0 N/A	0 N/A	206 52,931	77 55,290	48 53,853	83 54,934	25 66,534	46 *	44 *	6 *	535 54,678

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average pay for 2008 in that group limited to \$230,000. Average pay is not shown for cells with fewer than 20 participants.

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Schedule SB, Line 32 – Schedule of amortization bases

Base	Amortization Period			Balances		Installment
	Date created	Initial years	Years left	Initial	Outstanding	
Shortfall loss	1/1/09	7	7	\$6,316,231	\$ 6,316,231	\$ 1,120,807
Total					\$ 6,316,231	\$ 1,120,807