

August 15, 2000

JOANNE E DALSING
1831 DALLAS COURT
DUBUQUE IA 52002

RE: Kmart Corporation Employee
Pension Plan
480-40-8045 55

DEAR MS DALSING:

At the time of your termination of employment on 01/12/00 you had met the requirements for a vested pension from the Kmart Corporation Employee Pension Plan.

The amount of your pension payable on 08/01/2003, your Normal Retirement Date, is \$25.00 per month. This amount is based on a Life Income form of payment and a birth date of 07/29/38. You must verify your birth date when you retire.

The benefit amount stated above was calculated based on data shown on Kmart records; this data will be reviewed prior to actual benefit commencement. If this information is not in compliance with Plan provisions and your benefit amount has been incorrectly stated, the benefit amount you are actually entitled to under the Plan, if any, will be payable.

If you wish to receive your pension before your Normal Retirement Date, you may apply at any time. The amount of your pension will be reduced if payments begin before your Normal Retirement Date or if you elect a form of payment other than Life Income. The reduction is based on your age at the time you retire and the form of payment you elect.

NORMAL FORM OF PAYMENT

Unless you elect an optional form of payment, your pension will be paid as follows:

If you are single, widowed, divorced or married for less than one year as of your retirement date, your pension will be paid to you under the Life Income form of payment. Your pension will be paid for your lifetime and will end when you die.

NORMAL FORM OF PAYMENT (continued)

If you are married for at least one year as of your retirement date, your pension will be paid under the 50% Joint and Survivor form of payment. You will receive a reduced pension for as long as you live. When you die, your surviving spouse will receive 50% of your pension. The survivor pension will be paid for your spouse's lifetime and will end when he/she dies.

With your spouse's written consent, you may elect to receive your pension under the Life Income form of payment instead of the 50% Joint and Survivor form of payment. To do this, you must advise us in writing at least 7 days, but no more than 90 days, before your retirement date.

OPTIONAL FORMS OF PAYMENT

~~Instead of the Normal Form of Payment (Life Income or 50% Joint and Survivor form of payment), you may elect any of the following optional forms of payment. Your election must be made in writing at least six (6) months before your retirement date. If you are married, your spouse must consent in writing to your election.~~

- A 100% Joint and Survivor. (Available only for married participants).
- A Social Security Leveling Option. (Available only for early retirement. The six (6) month waiting period must be completed before you reach age 62).
- A 10 Year Certain & Life Option.

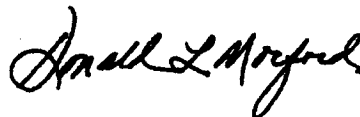
Each of these optional forms of payment are fully explained in the Summary Plan Description. Further information and the amounts payable under each optional form of payment may be requested by writing to the Kmart Retirement Service Center, 3270 West Big Beaver Road Suite 425, Troy, MI 48064-2901.

HOW TO BEGIN YOUR PENSION

~~Please write to the Kmart Retirement Service Center at least three months before you~~
~~begin your pension to begin. All requests for information must include your name,~~
address, telephone number, Social Security number, marital status and requested retirement date. If you are married, please also include your spouse's birth date.

Your pension records will be kept at the Kmart Retirement Service Center. It is very important that you notify this office if your name or address changes.

Sincerely,



Don Morford
Director - Retirement Plans

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

Notice of Chapter 11 Bankruptcy Case, Meeting of Creditors, & Deadlines

A Chapter 11 bankruptcy case concerning Kmart Corporation ("Kmart") and thirty-seven of its subsidiaries, all of which are listed on Exhibit A hereto (collectively, the "Debtors"), was filed on January 22, 2002. You may be a creditor of the Debtors. **This notice lists important deadlines.** You may want to consult an attorney to protect your rights. All documents filed in the case may be inspected at the bankruptcy clerk's office at the address listed below. NOTE: The staff of the bankruptcy clerk's office cannot give legal advice.

See Next Page For Important Explanations

Debtor: Kmart Corporation 3100 West Big Beaver Road Troy, MI 48084	Case Number: 02-02474 Taxpayer ID No.: 38-0729500
Attorney for Debtors (name and address): John Wm. Butler, Jr. J. Eric Ivester Skadden, Arps, Slate, Meagher & Flom (Illinois) 333 West Wacker Drive, Suite 2100 Chicago, IL 60606-1285	Telephone Number: (312) 407-0501

Meeting of Creditors

Date: May 2, 2002 Time: 1:00 p.m. Location: Sheraton Chicago Hotel & Towers
 301 East North Water Street, Chicago, Illinois 60611

Deadline to File a Proof of Claim

Proofs of Claim must be *received* by the Debtors' Claims Agent, Trumbull Services, LLC, by:
July 31, 2002, 4:00 p.m. Eastern Time

Further information concerning the filing of Proofs of Claim, including the address for the Claims Agent, is contained in the Notice of Last Date and Procedures for Filing Proofs of Claim enclosed herewith.

Creditors May Not Take Certain Actions

The filing of the bankruptcy case automatically stays certain collection and other actions against the Debtors and the Debtors' property. If you attempt to collect a debt or take other action in violation of the Bankruptcy Code, you may be penalized.

Address of the Bankruptcy Clerk's Office:

Everett McKinley Dirksen Courthouse
 219 South Dearborn Street
 Seventh Floor
 Chicago, Illinois 60604
 Telephone number: (312) 435-5694
 Website: www.ilnb.uscourts.gov

For the Court:

Clerk of the Bankruptcy Court:
 Kenneth Gardner

Hours Open:
 9:00 am to 4:30 p.m.

Date:
 April 1, 2002

Exhibit A

Kmart Corporation 3100 West Big Beaver Road Troy, MI 48084	Case Number: 02-02474 Taxpayer ID No.: 38-0729500
Kmart Corporation of Illinois, Inc. f/k/a Huck Fixture Company 3100 West Big Beaver Road Troy, MI 48084	Case Number: 02-02462 Taxpayer ID No.: 37-0916029
Kmart of Indiana 3100 West Big Beaver Road Troy, MI 48084	Case Number: 02-02463 Taxpayer ID No.: 38-3413374
Kmart of Pennsylvania LP 3100 West Big Beaver Road Troy, MI 48084	Case Number: 02-02464 Taxpayer ID No.: 38-3469157
Kmart of North Carolina LLC 3100 West Big Beaver Road Troy, MI 48084	Case Number: 02-02465 Taxpayer ID No.: 38-3469154
Kmart of Texas L.P. 3100 West Big Beaver Road Troy, MI 48084	Case Number: 02-02466 Taxpayer ID No.: 38-3469160
Bluelight.com LLC 150 Post Street, Suite 670 San Francisco, CA 94108	Case Number: 02-02467 Taxpayer ID No.: 77-0529022
Big Beaver of Florida Development, LLC 3100 West Big Beaver Road Troy, MI 48084	Case Number: 02-02468 Taxpayer ID No.: 38-0729500
The Coolidge Group, n/k/a, TC Group I LLC 3100 West Big Beaver Road Troy, MI 48084	Case Number: 02-02469 Taxpayer ID No.: 38-2332504
Kmart Michigan Property Services, L.L.C. 3100 West Big Beaver Road Troy, MI 48084	Case Number: 02-02470 Taxpayer ID No.: 38-3384536
Kmart Financing I Bank of New York (Delaware), Trustee 23 White Clay Center Newark, DE 19711	Case Number: 02-02471 Taxpayer ID No.: 38-6667809
Troy CMBS Property, L.L.C. 3100 West Big Beaver Road, Suite 132 (Tax Library) Troy, MI 48084	Case Number: 02-02472 Taxpayer ID No.: 38-3334610
Big Beaver Development Corporation 3100 West Big Beaver Road Troy, MI 48084	Case Number: 02-02473 Taxpayer ID No.: 38-2834722
Big Beaver of Guaynabo Development Corporation 3100 West Big Beaver Road Troy, MI 48084	Case Number: 02-02475 Taxpayer ID No.: 38-3225644
Big Beaver of Caguas Development Corporation 3100 West Big Beaver Road Troy, MI 48084	Case Number: 02-02476 Taxpayer ID No.: 38-3053789
Bluelight.com, Inc. f/k/a Shop Us, Inc. 3100 West Big Beaver Road Troy, MI 48084	Case Number: 02-02477 Taxpayer ID No.: 77-0527034
Kmart Holdings, Inc. Kmart #7100 I 95 and Naamans Road Claymont, DE 19703	Case Number: 02-02478 Taxpayer ID No.: 38-3293882
Kmart of Amsterdam, NY Distribution Center, Inc. 30600 Telegraph Road Suite 3275 Bingham Farms, MI 48025	Case Number: 02-02479 Taxpayer ID No.: 38-3626487
Kmart Stores of Indiana, Inc. f/k/a Kmart Logistics Services, Inc. 3100 West Big Beaver Road Troy, Michigan 48084	Case Number: 02-02480 Taxpayer ID No.: 38-2831604
Kmart of Michigan, Inc. 3250 West Big Beaver Road Suite 329 Troy, MI 48084	Case Number: 02-02481 Taxpayer ID No.: 38-3551696