

TPC Qualified Plans LLC 401(k) Profit Sharing Plan

Plan assets

Minimum \$1 million

Plan Sponsor

TPC Qualified Plans, LLC

TPC Qualified Plans, LLC (TPC) is the Plan Sponsor of the TPC Qualified Plans LLC 401(k) Profit Sharing Plan, a multiple employer plan (MEP). TPC is responsible for the administration of the Plan which includes a duty to prudently select the service providers. TPC is further responsible for executing service agreements between each party who independently provide services to the Plan; including, the establishment of the custodial account for Plan assets. TPC files Form 5500 and other required schedules with the IRS annually. TPC also markets the Plan to employers who believe that the benefits and cost reduction afforded by the Plan may benefit their employees.

Annual fee: 25 basis points

Investment Fiduciary

Childrey Investment Partners

Childrey Investment Partners, LLC (CIP) acts as an ERISA §3(38) investment fiduciary and provides TPC Qualified Plans 401(k) PSP investment advice with accountability. CIP's fiduciary discretion includes selecting the investment options used to construct the model portfolios offered to plan participants. The construction of the models includes selecting asset classes appropriate for the models, monitoring the investment options periodically, and replacing them whenever CIP deems it prudent. The models are part of a broad range of investment options which are constructed as age-appropriate portfolios when used as qualified default investment alternatives (QDIAs) in compliance with §404(c)(5) of ERISA.

Annual fee: 12 basis points

Investment Advisors

Investment advisors may meet with Adopting Employers annually, and as requested, to provide the Adopting Employers with reporting and an overview of the portion of the total Plan assets in the TPC Qualified Plans 401(k) PSP, which represents the total account balance for the employees of the Adopting Employer. Advisors may meet or conduct Internet WEB conferences with the employees of each Adopting Employer in order to provide the employees with an overview of the Participant WEB site (Site) designed by Invest n Retire®. Advisors may instruct employees in logging into the Site, using the retirement calculator, changing their asset allocation model (if desired), directing employees to plan notices and forms, and answer questions regarding the investment options offered in the Plan.

Annual fee: 40 basis points

Custodian

TD Ameritrade Trust Company

TD Ameritrade provides custodial and daily valuation services to the TPC 401(k) PSP.

Annual fee: 7 basis points

Recordkeeping, Transaction Processing, and Internet Sites

Invest n Retire®

Founded in 2000, Invest n Retire, LLC is universally recognized as the only 401(k) recordkeeping service provider who shuns the status-quo. Recognizing the state-of-affairs imposed by the mutual fund industry, who dominate the retirement market by tying payment of plan services to revenue sharing practices, INR decided to go against the tide by designing a recordkeeping system which could cost-effectively trade ETFs. In addition to eliminating revenue sharing fees, the range of ETF offerings enables diversification across a broad spectrum of market segments allowing asset allocation policies to be implemented with precision.

INR provides recordkeeping and transaction processing services to the TPC Qualified Plans 401(k) PSP. INR provides plan participants with a WEB site which enables each Participant to manage his or her investment account by providing online instructions. Participants may also view general financial and investment information which follows the Department of Labor (DOL) guidelines (general investment concepts are not considered investment advice by the DOL) and, includes; concepts such as dollar-cost averaging, compounding, diversification, risk and return, and saving for retirement on a tax-deferred basis. Participants may perform what-if scenarios using INR's retirement calculator which illustrates the effect of increasing or decreasing contributions. Participants may view the Summary Plan Description which includes general terms of the Plan.

Annual fee: 40 basis points

Third Party Administration

Retirement Solutions Advisors, LLC

Retirement Solutions Advisors, LLC (RSA) is a third party administration firm. RSA works with the Plan Sponsor and Invest n Retire® to coordinate administrative duties for the TPC Qualified Plans 401(k) PSP. Administration services provided by RSA include processing in-service, termination, and hardship distributions; preparing the Summary Plan Description and signature-ready IRS Form 5500 and other required schedules. RSA does not charge a per-participant fee.

Annual fee: 5 basis points

Fee Payment for Plan Services

Fees charged for plan services are paid from participants' accounts and deducted from Plan assets.

Payroll Services

The Payroll Company, Inc.

To maintain efficiency in processing payroll files for the TPC Qualified Plans 401(k) PSP, payroll services are provided by The Payroll Company. The Payroll Company submits electronic payroll files to Invest n Retire, LLC's secure WEB servers each pay period, processes contribution deferral change requests, and processes ACHs from each Adopting Employer's bank account.

Fee for payroll services: Each Adopting Employer pays for payroll services provided to the company. The Payroll Company will provide each Adopting Employer with a fee quote for payroll services.

PLAN FEATURES

TPC Qualified Plans LLC 401(k) Profit Sharing Plan

1. Elective deferral contributions include: Pre-tax, ROTH, and Catch-up
2. Eligibility service requirements for employee elective and employer matching contributions: age 21 and 6 months of service (plan entry date is the first day of the month following the date the employee satisfies the eligibility service requirements)
3. If an employee is already contributing to the adopting employer's plan, at a rate higher than zero percent (0%), the employee deferral contribution rate will not change and the employee will not be subject to automatic contribution escalation under the QACA.
4. Eligible non-deferring employees will automatically be enrolled in the Plan at the initial deferral contribution rate of 3%. The rate will be subject to escalation under a *qualified automatic contribution arrangement*, unless the employee makes an affirmative election to change his or her deferral rate.
5. *Qualified Automatic Contribution Arrangement (QACA)* - initial deferral contribution rate of 3% and 1% escalation each plan year up to a maximum deferral rate of 6%.
6. *Eligible Automatic Contribution Arrangement (EACA)* allows employees who are automatically enrolled to opt-out within a 90-day period and receive a refund of any deferral contributions made on behalf of the employee - without paying a 10% penalty.
7. *Safe Harbor* matching contribution is 100% of first 1% deferred and 50% of next 5% deferred for a total minimum safe harbor match of 3.5%.

Example: Mary earns \$30,000 in compensation during calendar year 2007. Mary contributes 6% of her compensation and her employer makes a matching contribution equal to \$1,050. Match: \$300 + \$750 = \$1,050

Math: $((\$30,000 \times 1\%) + (\$30,000 \times 5\% \times 50\%)) = \$1,050$

8. *Safe Harbor* matching contributions are 100% vested after 2-yr of service (2-yr cliff).
9. 2-yr Cliff Vesting Schedule: Service requirement is 1000 hours of service during a 12-consecutive-month computation time-period based on calendar year.
10. *Qualified Default Investment Alternative (QDIA)*: Asset allocation models (AAM) are designed by the investment fiduciary. Each employee is defaulted into a QDIA¹ model based on age. Once an employee logs into the INR Participant WEB Site, the participant may change his or her default model, if desired.

¹ DOL Releases Default Investment Option Safe Harbor, PlanSponsor.com, 26 Sep. 2006

11. Online Summary Plan Description (SPD) and Plan Notices
 - a. Automatic Contribution Arrangement includes QACA and EACA
 - b. Qualified Default Investment Alternative (QDIA)
 - c. Safe Harbor
12. Optional discretionary employer non-elective contributions such as profit sharing:
 - a. Each adopting employer may elect to make non-elective contributions to employees without requiring all adopting employers to make contributions.
 - b. Non-elective employer contributions: 6-year graded vesting schedule.
 - c. Annual allocation rules: earn 501 hours or more of service during plan year and must be employed on the last day of the plan year.

Qualified Automatic Contribution Arrangement (QACA)

Measuring when to automatically accelerate the deferral contribution rate

The initial period is measured from the date the automatic withholding starts through the end of the first FULL plan year (PY).²

Example: Plan year is a calendar year ending 12/31. Employee is automatically enrolled in April 2008. Initial deferral rate is 3%. Initial period is the rest of 2008 and through the end of the first FULL plan year ending December 31, 2009.

In this case, the employee's deferral rate increases to 4% in plan year 2010 and continues to increase 1% in the subsequent years until it reaches 6%. (E.g. 2011 the rate increases to 5% and 2012 the rate increases to 6%. The rate does not escalate after reaching 6 percent.)

² Under a qualified automatic contribution arrangement (QACA), the initial contribution deferral rate must be between 3 percent and 10 percent. The maximum required rate for acceleration is 6 percent.

The Department of Labor (DOL) Advisory Opinion 2002-06A (issued July 3, 2002) states:

Section 402(a) of ERISA provides that every employee benefit plan [e.g., a 401(k) plan] shall be established and maintained pursuant to a written instrument. This instrument must provide for one or more named fiduciaries that have authority to control and manage the operation and administration of the plan. The named fiduciaries may be either named in the plan instrument or chosen, through a procedure specified in the plan, by the plan sponsor.

An ERISA section 3(21) fiduciary could be given total discretion over an entire plan, including those duties associated with that of ERISA section 3(16) plan administrator (even though a plan may have specifically named a person or organization to fill that role). There can be overlap between section 3(16) and section 3(21) responsibilities, but these two sections of ERISA cover the basics with respect to day-to-day fiduciary duty.

Plan Administrator

ERISA section 3(16) defines the term "plan administrator." (The fiduciary duties of a plan administrator should not be confused with the non-fiduciary duties of a third party administrator servicing the plan.) The plan administrator is the fiduciary identified by the plan document that has the discretionary authority to manage the day-to-day affairs of a qualified retirement plan. The plan administrator can be an individual or the sponsor of the plan.

Independent Fiduciary

An ERISA section 3(21) independent fiduciary exercise discretionary authority or control over plan management which includes the duty to hire, monitor and, if necessary, replace the other service providers. The plan administrator may transfer his fiduciary duties for the day-to-day operations of the plan to an ERISA §3(21) independent fiduciary. The independent fiduciary accepts his or her fiduciary duties in writing and assumes liability for those functions.

Investment Fiduciary

Plan fiduciaries have a number of duties they owe to plan participants; including, being personally liable for the selection and monitoring of the investment options.

The plan fiduciary may transfer the duties, responsibilities, and personal liability for the selection and monitoring of the investment options to an ERISA §3(38) investment fiduciary. The investment fiduciary removes virtually all of the fiduciary responsibility related to the investment decisions from the shoulders of the plan fiduciaries.

The investment fiduciary provides investment advice, with accountability. The individual or entity's fiduciary discretion includes selecting asset classes appropriate for participants, recommending investment options appropriate for such asset classes, monitoring the investment options periodically, and replacing them whenever he or she deems it prudent.

The plan administrator still maintains a duty to prudently select the investment fiduciary and to monitor its performance. A 3(38) investment fiduciary is limited to a defined class of individuals or entities, who may be appointed to control the investments of a plan, and include registered investment advisors, banks, and insurance companies. ERISA §3(38)

In order to transfer the responsibility and liability to the investment fiduciary, the individual or entity must agree in writing that it is a plan fiduciary. ERISA §3(38)(C)

Once the contract is consummated, the other fiduciaries are relieved of the responsibility for the investment decisions made by the investment fiduciary. ERISA §405(d)(1)