

Academy Benefit Partners 401(k) Profit Sharing Plan

Assets: minimum of \$500,000 up to \$5 million

Independent Fiduciary

McLean Asset Management Corporation

McLean Asset Management is an ERISA-approved independent fiduciary. As an independent fiduciary, Avatar provides investment advice, with accountability, to the TPC Qualified Plans 401(k) PSP.

Avatar acknowledged its fiduciary accountability in writing in the fiduciary-consultant agreement. Avatar'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 the consultant deems it prudent.

Annual fee: 30 basis points

Plan Sponsor

ENT Resources, Inc. A For-Profit Subsidiary of AAO-HNS

ENT Resources, Inc. (ENTR) is the plan sponsor of the Academy Benefit Partners 401(k) Plan (ABP). As the plan sponsor, ENTR is responsible for the administration of the plan which includes a duty to prudently select the fiduciary investment consultant and to monitor its performance, execute service agreements between each party who independently provide services to the plan; including, the establishment of the custodial account for plan assets. ENTR also markets the plan to employers who believe that the benefits and cost reduction afforded by the ENTR 401(k) plan may benefit their employees.

Annual fee: 33 basis points

Custodian

TD Ameritrade Trust

TD Ameritrade provides custodial and daily valuation services to the ABP 401(k) plan.

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 plan. INR provides plan participants with an Internet site so that they may manage their account by providing online instructions. Participants may review plan information which informs participants about the benefits of contributing to a retirement plan on a tax-deferred basis, effects of increasing or decreasing contributions, and general terms of the plan included in the Summary Plan Description. The participants may perform what-if scenarios using INR's retirement calculator. Plan participants may also review general financial and investment information which follows the Department of Labor guidelines; i.e., information about general investment concepts is not considered investment advice by the Department and includes concepts such as diversification, dollar-cost averaging, compounding, risk and return, the effect of inflation, and tax deferral.

Annual fee: 40 basis points

Payroll Provider

The Payroll Company, Inc.

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

Fee: The Payroll Company will provide an individual fee quote for payroll services.

Third Party Administration

Retirement Solutions Advisors, LLC

Retirement Solutions Advisors (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) plan. Administration services provided by RSA include processing employee termination and hardship distributions, preparing the Summary Plan Description, and preparing the signature-ready IRS Form 5500 and schedules.

Annual fee: 5 basis points

Fee payment: All fees are charged to participant accounts and deducted from plan assets.

PLAN FEATURES

Academy Benefit Partners 401(k) Profit Sharing Plan and Trust

1. Eligible Automatic Contribution Arrangement (EACA)
2. Qualified Automatic Contribution Arrangement (QACA)
3. Eligibility requirements for employee elective and employer matching contributions: age 21 and 6 months of service
4. Initial deferral contribution rate is 3%

5. If an employee is already contributing to the Adopting employer's plan, at a rate higher than zero percent (0%), the employee's deferral rate will not change and the employee will not be subject to contribution escalation.
6. For all eligible non-deferring employees, the employees will automatically be enrolled in the Plan at the initial deferral rate of 3% and the rate will be subject to escalation, unless the employee makes an affirmative election to change his or her contribution rate.
7. Matching contribution is 100% of first 1% deferred and 50% of next 5% deferred for a total minimum match of 3.5%.
 Example: Mary earns \$30,000 in compensation during calendar year 2007. Mary makes a salary deferral contribution of 6% of her compensation. Her employer will make 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. Matching contributions are 100% vested after 2-yrs of service (2-yr cliff).
9. 2-yr cliff vesting schedule service requirements are 1000 hours of service during a 12-month consecutive computation period based on a calendar year.
10. Qualified Default Investment Alternative (QDIA): Asset allocation models (AAM) are designed by the independent fiduciary. Each employee is defaulted into the QDIA model.¹ Once an employee logs into the INR Participant site, the participant may change the default model, if desired.
11. Online notices:
 - a. Qualified Automatic Contribution Arrangement (QACA)
 - b. Qualified Default Investment Alternative (QDIA)
 - c. Safe Harbor notice
12. Online Summary Plan Description (SPD).
13. Optional discretionary employer non-elective contributions; i.e., 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 rule: 500 hours of service during plan year

¹ **Pension Protection Act of 2006** includes a provision which insulates plan fiduciaries from liability associated with an approved qualified default investment alternative (QDIA). DOL Releases Default Investment Option Safe Harbor, PlanSponsor.com, 26 Sep. 2006

Independent Fiduciary

ERISA §3(38) and §405(d)(1): Trustees and other fiduciaries of qualified plans (such as 401(k) plans) have a number of duties they owe to plan participants; such as, being personally liable for the selection and monitoring of the investment options.

Although not widely known, a fiduciary can transfer his duties, responsibilities, and personal liability for the selection and monitoring of the investment options to an investment consultant who acts as an ERISA independent fiduciary. An ERISA-defined investment consultant removes from the shoulders of the plan fiduciaries virtually all of the fiduciary responsibility related to the investment decisions.

The independent fiduciary provides investment advice, with accountability, and he acknowledges this accountability in writing. The ERISA-approved investment consultant'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 the consultant deems it prudent.

Plan trustees still maintain a duty to prudently select the investment consultant and to monitor its performance. An ERISA investment consultant is limited to a defined class of consultants 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 consultant, the consultant must agree in writing that it is a plan fiduciary. ERISA §3(38)(C) Once the fiduciary-consultant contract is consummated, the other fiduciaries are relieved of the responsibility for the investment decisions made by the consultant. ERISA §405(d)(1)

Measuring when to automatically increase the deferral election under the qualified automatic contribution arrangement (QACA)

Initial automatic enrollment contribution rate must be between 3% and 10%.

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

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% starting in plan year 2010 and continues to increase 1% in the subsequent years until it reaches 6%. I.E., 2011 rate is 5% and 2012 deferral rate is 6% and the rate does not escalate after reaching 6%.