

PARTICIPATION AGREEMENT

THIS AGREEMENT is made and entered into as of the date indicated between the Participating Employer and the Sponsoring Employer, as follows:

Plan Name: 401k Advantage, LLC 401(k) Plan
Sponsoring Employer: 401k Advantage, LLC
Participating Employer: _____
Date of Participation: _____

PARTICIPATING EMPLOYER CONTACT INFORMATION

Employer Street Address	_____
City, State, Zip Code	_____
Employer Primary Contact Name	_____
	Send Deposit Confirmations and Plan Reports to this Contact? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Employer Telephone Number	_____
Employer FAX Number	_____
Employer Identification Number (EIN)	_____
Employer E-Mail Address	_____
Employer Web Site Address	_____
Number of Current Employees	_____
Number of Participants	_____
Date of Incorporation or Organization	_____
Principal Office Location (State)	_____
State of Incorporation (if different)	_____
Nature of Business	_____
SIC Code	_____
Type of Entity	<input type="checkbox"/> Corporation <input type="checkbox"/> LLP or <input type="checkbox"/> LLC --- File as a Corporation? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> S (Sub-S) Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other, specify _____
Special Enrollment Date (with age and service required)	Date of First Deposit _____
Salary Reduction Start Date	Expected Annual Contributions _____

WITNESSETH:

WHEREAS, the Sponsoring Employer previously established the Plan named on page 1, (hereafter called the Plan) which the Participating Employer wishes to adopt;

NOW, THEREFORE, the Participating Employer hereby adopts the Plan subject to the following conditions and limitations:

- (1) **Rules and Procedures:** The Participating Employer agrees to abide by such rules and procedures as the Administrator deems necessary for proper administration of the Plan.
- (2) **Definition of Fiscal Year:** With respect to the Participating Employer, the definition of Fiscal Year means the tax year of the Participating Employer.
- (3) **Credit for Years of Service:** Employees of the Participating Employer will be given credit for all Years of Service earned with any Participating Employer.
- (4) **Eligibility Requirements:** Eligibility requirements under section 2.1(a) of the plan as of the date of participation are (check all that apply):

Age Requirement: 21 18

Service Requirement: 1 Year of Service _____ months of service (not exceeding 12)
 One hour of Service

To Receive Profit Sharing Contribution 1,000 hours worked and employed on the last day Plan Year

- (5) **Special First Year Eligibility Requirements:** Eligibility requirements under section 2.1 of the plan as of the date of participation are:

Waived, and all Eligible Employees on 8/1/2006 are eligible to enter the Plan as a Participant on such date.

- (6) **Elective Deferral:** Each Participant may elect to defer from 1 % to 100 % of his or her Compensation. Such election may be made on or after _____ .

- (7) **Matching Contributions:** Under section 3.1(b) of the Plan, the Participating Employer elects the following (complete one.) Please note that Matching Contributions will be made to Participants who make a deferral.

No Matching Contributions will be made to the Plan.

A Matching safe harbor contribution will be made

_____ % of deferrals up to _____ % of compensation

The Participating Employer may make a discretionary Matching Contribution to the Plan

(8) **Non-Elective Contributions:** Under section 3.1(c) of the Plan, the Participating Employer elects the following (complete one):

- No Non-Elective Contributions will be made to the Plan.
- A 3% safe harbor contribution will be made.
- The Participating Employer may make a discretionary Non-Elective Contribution to the Plan, which if made will be allocated on the annual Valuation Date to each Eligible Participant's Non-Elective Contribution Account in the following manner (check one):
 - Non-integrated in the ratio that the Compensation of each Eligible Participant bears to the total Compensation of all Eligible Participants.
 - Integrated
 - Cross-tested, with the Non-Elective Contribution being allocated to each allocation described below in the following manner (check one):
 - Per capita to each Eligible Participant who is a member of that Group.
 - In the ratio that the Compensation of each Eligible Participant who is a member of that Allocation Group bears to the total Compensation of all such Eligible Participants.

The Allocation Groups to which Employer contributions will be allocated are (complete all that apply):

Group 1: _____
Group 2: _____
Group 3: _____

(9) **Loans to Participants:** Under section 7.14 of the plan, the Participating Employer elects the following (complete one):

- Loans to Participants are not permitted.
- Loans to Participants are permitted as follows (check all that apply)
 - The minimum loan permitted is \$1,000
 - Loans will be limited to conditions of financial hardship
 - Interest on each loan will be (check one)
 - _____%
 - 0 % plus the prime rate in effect when the loan is made

Interest will be credited to
Each Participant's Account

(10) **Hardship Distributions:** Under section 5.16 of the Plan, the Participating Employer elects the following (complete one):

- Hardship distributions are not permitted.
- Hardship distributions of the following contributions are permitted (check all that apply):
 - Elective Deferrals
 - Non-Elective Contributions

Pre-Retirement Distributions: Under section 5.17 of the Plan, the Participating Employer elects the following (complete one):

- Pre-Retirement distributions are not permitted.
- Pre-Retirement distributions of the following contributions are permitted provided the Participant has reached the age of 59 _ (check all that apply):
 - Elective Deferrals
 - Non-Elective Contributions

Participating Employer Agrees to properly disclose to Plan Sponsor all information reasonably required by Plan Sponsor for the proper administration of the Plan.

Participating Employer understands that if the Plan as adopted by the Participating Employer becomes “top-heavy”(as defined in Section 416 of the Internal revenue Code), a minimum contribution may have to be made to the Plan on behalf of the Participating Employer’s “non-key employees” (as defined in Section 416 of the Internal Revenue Code). If the Plan as adopted by the Participating Employer becomes top-heavy, Participating Employer agrees to make any minimum contribution required by law and Participant Employer acknowledges that it is solely responsible for any such required contribution.

Participating Employer acknowledges that it is solely responsible for any matching or nonelective contributions to be made to the Plan on behalf of Participating Employer’s Employees.

The Participating Employer agrees to hold Plan Sponsor harmless against any claims, taxes or costs of any kind incurred by the Participating Employer as a result of the adoption of the Plan and Participating Employer’s failure to fulfill its obligations and duties with respect to the Plan. The adopting Employer agrees to indemnify Plan Sponsor for any claims, taxes or costs incurred by Plan Sponsor at any time as a result of the Participating Employer’

All definitions provided in the Plan shall apply to this Participation Agreement unless specifically stated otherwise.

IN WITNESS WHEREOF, the parties have executed this participation agreement as of the day, month and year first above written.

PARTICIPATING EMPLOYER

By _____

Date _____

PLAN SPONSOR

By _____

Date _____