

Fox & Lalonde
HealthCare Annuity Plus® WBP
Single Employer Welfare Benefit Plan & Trust

A WELFARE BENEFIT PLAN PROPOSAL

Designed

For

Surgical & Medical Professional Practices, LLC

1000 Hometown Circle - 5th Floor

Medical & Professional Complex

Anywhere, USA 10001

Prepared at the Request of:

John Q. Mensa

Comprehensive Plan Associates, Ltd.

123 Brookside Dr. #100

Anywhere, USA 10001

Fox & Lalonde

HealthCare Annuity Plus® WBP

Single Employer Welfare Benefit Plan & Trust

PROPOSAL & EXPLANATION OF BENEFITS

- The Plan is a Welfare Benefit Plan (WBP) sponsored by **(Plan Sponsor/ER)** for the benefit of its eligible employees. The program is subject to ERISA. The employer may deduct contributions made to the Plan under Internal Revenue Code (IRC) §79 and §162. The deductions to the Plan are subject to the limitations of IRC §419 and §419A.
- The Plan provides the following benefits (list all that apply):
 - Pre-Retirement Death
 - Accidental Death & Dismemberment
 - Temporary Disability
 - Permanent Disability
 - Long Term Care
 - Post-Retirement Death
 - Post-Retirement Medical

See Individual Benefit Summaries and Plan Specifications for all benefit details.

- All full time, non-union employees who have at least **2** years of service and have attained age **21** are eligible to participate in the Plan.
- All pre-retirement benefits selected will be provided by insurance companies selected to provide benefits. Premiums for the selected insurances will be paid by the plan.
- Upon retirement, a participant will be reimbursed from their individual reimbursement account for medical expenses incurred by the participant, and if provided, the participant's spouse and participant's dependents.
- The Post-Retirement Medical Reimbursement (PRMR) Premier Plan will work in conjunction with the participant's primary means of medical coverage and will cover most expenses not covered by the primary source(s) of coverage (See Premier Schedule).
- For all Key Employees (as defined by IRC §416(i)), contributions for post-retirement medical reimbursement benefits under this plan are a direct offset against a Defined Contribution plan's IRC §415 annual addition limitation.
- All existing 401(k) Profit Sharing or any other Defined Contribution Plan administration will be coordinated by the WBP Administrative Service Provider on a fee for service basis. Multiple Plan fee discounts apply.

PLAN SERVICE PROVIDERS

- This plan is intended to qualify as a welfare benefit plan - WBP. The plan will be self-trusted by the Plan Sponsor/Employer. The Plan Sponsor will serve as the legal (ERISA) administrator of the Plan and will be a plan fiduciary.
- Product providers will be selected from an approved group of providers meeting the plan criteria. The plan's TPA and contract administrator will determine the approved group of product providers. Financial advisors to the plan will work exclusively with the TPA in this regard. Neither the TPA, Administrative Service Provider, product provider or financial advisor will be a party to the plan nor will they be a fiduciary to the plan.
- Fox & Lalonde is the third party administrator (TPA) and will act as the Administrative Service Provider for this plan under a specific agreement for plan services (the "Fee Schedule"). Fox & Lalonde is neither a party to nor a fiduciary to/for this plan.
- The life insurance, annuity providers and other product providers presented to and selected by the plan sponsor will not be a party to this Plan nor will they be a fiduciary to the Plan.

TPA Contact Information

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ACTUARIAL ASSUMPTIONS

- Post-retirement health reimbursement benefits are calculated based on a conversion factor using the GAM83 mortality table and pre/post retirement interest factor of 3%.
- Contributions made by the Plan will be invested in either guaranteed or indexed annuities or tax managed accounts (as appropriate) depending on the type of WBP and the plan's funding criteria. Earnings greater than the assumed rate of return will reduce future plan contributions. Actual Plan mortality and turnover experience may affect future plan contributions.
- Benefits will be funded on a level basis over the appropriate period.
- Pre-retirement benefits will be funded over the working lifetime of the plan participant.
- Contributions required for pre-retirement benefits (if applicable) are based on published rates of a major insurer or insurance syndicate.

Note: Actuarial Assumptions page will mirror the plan design spec's – defined contribution or defined benefit or a combination, as per the Adoption Agreement.

PLAN SPECIFICATIONS

Plan Type: Welfare Benefit Plan (VEBA or 419(e) WBP)

Plan Effective Date: (Date)

Normal Retirement Age: _____

Note: Specifications page will mirror the plan design spec's – defined contribution or defined benefit or a combination, as per the Adoption Agreement.

Individual Benefit Summaries PROJECTED PLAN BENEFITS

I. Post-retirement

| Participant | Age | Entry Age | Ret. Age | Salary | Medical Reimbursement Benefits | Life Insurance Benefit |
|-------------|-----|-----------|----------|--------|--------------------------------|------------------------|
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |

II. Pre-retirement

| Participant | Life Insurance Benefit | AD&D Benefit | Monthly Disability Benefit | Lump Sum Disability Benefit | Long Term Care Benefit |
|-------------|------------------------|--------------|----------------------------|-----------------------------|------------------------|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |
| 9 | | | | | |

For Complete Benefit Details:

- Pre-Retirement Death – Exhibit A
- Accidental Death & Dismemberment – Exhibit B
- Temporary Disability (Monthly) – Exhibit C
- Permanent Disability (Lump Sum) – Exhibit D
- Long Term Care – Exhibit E
- Post-Retirement Death – Exhibit F
- Post-Retirement Medical – Exhibit G

INITIAL PLAN YEAR COST SUMMARY

| Participant | Initial Plan Year Contribution | % of Initial Plan Year Contribution |
|----------------------------|---|--|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | | |
| <hr/> | | |
| Participant Totals: | | |

10 YEAR SUMMARY OF PLAN COSTS

| Plan Year | Annual Contribution | Trustee Fee | Total Plan Cost | After Tax Cost |
|------------------|--------------------------------|------------------------|----------------------------|---------------------------|
| 2007 | | | | |
| 2008 | | | | |
| 2009 | | | | |
| 2010 | | | | |
| 2011 | | | | |
| 2012 | | | | |
| 2013 | | | | |
| 2014 | | | | |
| 2015 | | | | |
| 2016 | | | | |
| <hr/> | | | | |
| Totals: | | | | |

Fox & Lalonde

HealthCare Annuity Plus® WBP

Single Employer Welfare Benefit Plan & Trust

Below is a list of qualified post-retirement medical benefits provided by Fox & Lalonde's **HealthCare Annuity Plus® WBP Single Employer Welfare Benefit Plan & Trust.**

Benefits are not limited to those contained in this list. Benefit's provided to (as noted below):

- | | | |
|---|--|---|
| <input type="checkbox"/> Plan Participant | <input type="checkbox"/> Plan Participant's Spouse | <input type="checkbox"/> Plan Participant's Dependents |
| Acupuncture | | Hospitalization Insurance |
| ADD Counseling and Assistance | | Hospital Bills |
| Air Lift Transportation (Both US and Non US) | | Insulin |
| Alcoholism | | Laboratory Fees |
| Alternative Healthcare | | Laetrile by Prescription |
| Alternative Medicines | | Lasik Eye Surgery |
| Ambulance | | Hire Lead Base Paid Removal-Children with Lead Poisoning |
| Artificial Limbs | | Retirement Home for Medical Care |
| Artificial Teeth | | Long Term Care, Nursing Homes |
| Assisted Living Facilities | | Medical Information Plan |
| Asthma and Allergy Prevention and Treatment | | Medicines |
| Birth Control Pills | | Membership Fees for Medical Services, Hospitalization, Clinical Care, Health |
| Braces | | Maintenance, Health club memberships |
| Braille-Books and Magazines | | Nurses Fees, Nurses Room and Board |
| Chiropractors | | Social Security Tax (Where Paid by Taxpayer) |
| Christian Science Practitioners' Fees | | Obstetrical Expenses |
| Contact Lenses Including Examination Fee | | Operations (100% of All Costs) |
| Co-Pays | | Orthopedic Shoes |
| Cosmetic Surgery (Even Though not by a Physician) | | Oxygen |
| Cost for Care Outside the United States | | Personal Trainers |
| Cost of Operations and Related Treatments | | Physical Therapy |
| Counseling | | Physician Fees |
| Crutches | | Premiums for LTC |
| Deductibles | | Preventive Care including but not limited to Spa Facilities, Usage Fees for Facilities |
| Dental Cosmetic Surgery | | Prosthetics |
| Dental Fees | | Psychiatric Care |
| Dentures | | Psychologist Fees |
| Dependent Care | | "Seeing-eye" Dog and its Upkeep |
| Dermatologist Care | | Specialists and Specialized Treatments |
| Diagnostic Fees | | Specially Equipped Cars |
| Drugs | | Special Care Costs for Disabled Dependents |
| Electrolysis | | Special Diets |
| Experimental Care | | Sterilization Fees |
| Eyeglasses, Including Examination Fee, Laser Surgery for Vision Correction | | Support Groups |
| Fees of Practical Nurse | | Surgical Fees |
| Fees for Healing Services | | Therapy Treatments |
| Fees of Chiropractors | | Transportation Expenses for Medical Services including Preventative Care |
| Fees for Fitness Programs and Facilities | | Tuition Fee (part), if College or Private School |
| Fees of Licensed Osteopaths | | Furnishes Breakdown of Medical Charges |
| Group Therapy | | Tuition at Special School for Handicapped |
| Handicap Persons' Special Schools | | Viagra |
| Flu Shots | | Vitamins |
| Hair Transplants | | Wheelchair |
| Health Insurance Premiums | | Weight Loss Programs |
| Hearing Devices and Batteries | | Wigs |
| Holistic Care | | X-rays |
| Hospice | | |
| In Home Care | | |