

**COLCAL COLORADO, INC.  
RETIREMENT PLAN  
ANNUAL NOTICE**

**INTRODUCTION**

This Notice contains information related to the ColCal Colorado, Inc. Retirement Plan (the "Plan") for the plan year beginning on 01/01/2018. The plan year is each 12-month period ending on 12/31.

The safe harbor, automatic enrollment and qualified default investment alternative (QDIA) features apply to the Plan. This Notice gives you important information about these Plan features and how they will affect you. For further information about the Plan, please see your copy of the Plan's Summary Plan Description (SPD). If you need a copy of the SPD, would like a copy of other Plan documents, or if you have any further questions on the information contained in this Notice, please contact the plan administrator at:

TAG Resources, LLC  
Address: 6322 Deane Hill Drive Suite 201, Knoxville, Tennessee 37919  
Phone number: 865-670-1844  
Email: customerservice@tagresources.com

**AUTOMATIC ENROLLMENT**

The qualified automatic contribution arrangement (QACA) and eligible automatic enrollment arrangement (EACA) provisions apply to the Plan. This type of automatic enrollment allows the plan administrator to enroll certain employees in the Plan who have not previously elected to participate in the Plan.

**Do the Plan's automatic enrollment features apply to me if I have already made a deferral election?**

The automatic enrollment feature won't change your contribution level if you already turned in a wage deferral agreement and your contribution level is equal to or greater than the automatic enrollment amount specified below. If your election is less than the automatic enrollment amount, you must make a new election or you will be deemed to have elected the amount specified below.

**What happens if I do not make a deferral election by 30 days after the form is received?**

If you are eligible to receive safe harbor contributions and you do not make a deferral election by 30 days after the form is received, the plan administrator will begin deducting automatic deferrals from each of your paychecks and will submit those amounts to the Plan (automatic deferrals) on your behalf. An automatic deferral amount of x% of your compensation will be withheld from each of your paychecks. The automatic deferral amount will be contributed as a pre-tax elective deferral to the Plan.

If you do not wish to have automatic deferrals withheld from each of your paychecks or if you want to change the amount withheld, you must make a deferral election. If automatic deferrals have already started, you may make a deferral election to change the amount being withheld or to stop the deferrals entirely.

**Will the amount of the automatic deferrals increase?**

Yes, if you do not make a deferral election the automatic deferral amount will increase

- in the first year after the initial period to 5%;

- in the second year after the initial period to 6%; and
- in the third year after the initial period to 8%.

The initial period begins when you are first subject to automatic enrollment and continues to the end of the next plan year. For example, if the plan year ends on December 31 and you were first subject to automatic enrollment on July 1, 2017, if you did not make a deferral election your initial period would end on December 31, 2018.

**If automatic deferrals are withheld from my paycheck can I take that money out of the Plan right away?**

Yes, you may request that your automatic deferrals and any earnings on those deferrals be distributed to you as long as you make the request in writing within 90 days of when the automatic deferrals were first withheld from your paycheck. Any matching contributions associated with the automatic deferrals that you take from the Plan by the deadline will be forfeited. After that deadline has passed you will only be able to take the automatic deferrals out of the Plan when elective deferrals can be distributed.

**ELECTIVE DEFERRALS**

Your elective deferrals are amounts that you chose to (or are assumed to have chosen to) have withheld from your paycheck and contributed to the Plan in your name. Please see the section of your SPD titled "Eligibility for Participation" to determine if you are eligible to make elective deferrals and "Contributions to the Plan" for the type of compensation you may defer into the Plan.

**How do I make or change my deferral election?**

You may make or change your deferral election by: Paper, ta-retirement.com or VRU number in enrollment kit

**Once I make a deferral election, how often can I change, stop, or re-start the election?**

You may change or re-start your deferral election as of the first payroll of the month following the date your election is received.. You may stop your deferrals at any time.

**If I make a deferral election is the amount withheld from my paychecks taxed?**

You will have the option to decide if the amount you elect to defer into the Plan is taxed or not. If you chose to have your elective deferrals go into the Plan as pre-tax elective deferrals, you will not be taxed until you take the money out of the Plan. If you chose to have your elective deferrals go into the Plan as Roth elective deferrals, you will be taxed on that money when it is taken out of your paycheck, but it will not be taxed again when you take it out of the Plan. The earnings on those Roth elective deferrals may be taken out tax-free if certain conditions are met. Please see the SPD for more information on Roth elective deferrals.

**Are there any limits to how much I can defer into the Plan?**

Your elective deferrals are subject to the following limits:

- The maximum amount you can defer is 90% of your compensation.
- Your total amount of deferrals cannot be more than \$18,500 (for 2018).
- If you are age 50 or over, you may defer an additional amount, called a "catch-up contribution," of up to \$6,000 (for 2018).

The plan administrator may establish additional rules you will need to follow when making your deferral election. Your deferral election is only effective for compensation you have not received yet. The plan administrator may also reduce or totally suspend your election if they determine that your election may cause the Plan to fail to satisfy any of the requirements of the Internal Revenue Code.

## **SAFE HARBOR CONTRIBUTIONS**

The plan administrator intends the Plan to be a safe harbor plan. In a safe harbor plan, if certain requirements are met, the Plan will be deemed to automatically pass certain IRS required non-discrimination testing (ADP, ACP, and top-heavy). One of these requirements is a minimum level of employer contributions to the Plan. The Plan may be amended during the plan year to reduce or suspend the safe harbor contributions. The reduction or suspension will not apply until at least 30 days after you are provided notice of the reduction or suspension.

### **Am I eligible to receive safe harbor contributions?**

Once you meet the eligibility requirements below, you will be eligible to receive safe harbor contributions unless you fall into one of the following categories.

- You are an employee covered by a collective bargaining agreement where retirement benefits were the subject of good faith bargaining.
- You are a leased employee.
- You are a non-resident alien with no U.S. sourced income.

### **What eligibility requirements do I have to meet to receive safe harbor contributions?**

You will be eligible to receive safe harbor contributions on the first day of each plan quarter coincident with or next following the day you meet the following requirements.

- You obtain age 21.
- You complete 1000 hours of service in a 12 month period.

### **Will ADP safe harbor contributions be made to my account under the Plan?**

Yes, as long as you are eligible to receive safe harbor contributions, ADP safe harbor contributions equal to 100% of your deferrals up to 4% of your compensation will be made to your account.

### **Will any additional contributions be made to my account under the Plan?**

Additional contributions may be made to your account under the Plan. Please see the section of your SPD titled "Contributions to the Plan" for information on any further contributions.

## **VESTING**

Vesting refers to the amount of money you have in the Plan that you have a non-forfeitable right to receive. You may be required to work a certain amount of time to earn certain contributions to the Plan. Please see your SPD section titled "Vesting" for more information about vesting and how it is calculated.

### **Do I need to work a certain amount of time to keep my elective deferrals?**

No, you will always be immediately 100% vested in your elective deferrals.

### **Do I need to work a certain amount of time to keep my ADP safe harbor contributions?**

Yes, your ADP safe harbor contributions will vest as specified below.

- Less than two years of vesting service - 0%
- Two or more years of vesting service - 100%

**Do I need to work a certain amount of time to keep my profit sharing contributions?**

Yes, your profit sharing contributions will vest as specified below.

- Less than One year of vesting service - 0%
- One year but less than two years of vesting service - 20%
- Two years but less than three years of vesting service - 40%
- Three years but less than four years of vesting service - 60%
- Four years but less than five years of vesting service - 80%
- Five or more years of vesting service - 100%

**DISTRIBUTIONS**

**Can I take a distribution of my account balance after my employment terminates?**

Yes, you can take a distribution of your account balance immediately after your employment terminates.

**Can I take a distribution of my account balance when I reach age 59-1/2?**

Yes, you can take a distribution of all of your fully vested account balance when you reach age 59-1/2.

**Can I take a distribution of my account balance while still working at any time?**

Yes, you can take a distribution of your rollover contribution account balances at any time.

**Can I take a distribution of my account balance while still working if I incur a hardship?**

Yes, you can take a hardship distribution of your fully vested account balances that are not safe harbor contributions while still working if you incur a hardship.

**Can I take a loan from the plan?**

No, loans are not available under the plan.

Please see the SPD section titled "Distributions" for further information on your distribution options.

**PLAN INVESTMENTS**

**Can I direct how my account balances will be invested?**

Yes, you can direct how your entire account balance will be invested from among the different investments offered under the Plan.

You may make or change your investment elections by: Paper, ta-retirement.com or VRU number in enrollment kit

**How often can I change my investment election?**

Subject to any additional restrictions placed on investment timing by the actual investment, you may change your investment elections daily.

**How will my account balances be invested if I do not make an investment election?**

The Plan's default investments are intended to meet the requirements to be a qualified default investment alternative (QDIA).

Default Investment Information

Vanguard Target Retirement Series

Right to Self-Direct

Participant may self direct funds available under this plan

Additional Information

Enrollment kit or [ta-retirement.com](http://ta-retirement.com)