Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A This return/report is for:
- ☐ a multiemployer plan;
- ☐ a multiple-employer plan; or
- ☒ a single-employer plan;
- ☐ a DFE (specify) ____

B This return/report is:
- ☐ the first return/report;
- ☐ the final return/report;
- ☐ an amended return/report;
- ☐ a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ ☐

D Check box if filing under:
- ☐ Form 5558;
- ☐ automatic extension;
- ☐ the DFVC program;
- ☐ special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
PARCO, INC. 401(K) RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/04/1993

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
PARCO, INC.

1801 S. ARCHIBALD AVENUE
ONTARIO, CA 91761-7667

2b Employer Identification Number (EIN)
33-0344119

2c Sponsor's telephone number
909-947-3540

2d Business code (see instructions)
326200

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	07/28/2011	LOUIS W. BURGENER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/28/2011	LOUIS W. BURGENER
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
PARCO, INC.

1801 S. ARCHIBALD AVENUE
ONTARIO, CA 91761-7667

3b Administrator's EIN
33-0344119

3c Administrator's telephone number
909-947-3540

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:
a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	222
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	219
b	Retired or separated participants receiving benefits	**6b**	1
c	Other retired or separated participants entitled to future benefits	**6c**	34
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	254
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	254
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	195
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		**A** (Insurance Information)
(4)	X	**C** (Service Provider Information)
(5)	X	**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2010** **This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
PARCO, INC. 401(K) RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PARCO, INC.

D Employer Identification Number (EIN)
33-0344119

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

ALERUS FINANCIAL, N.A.

45-6062081

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

ALERUS FINANCIAL, N.A.

45-6062081

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 21 24 64	NONE	29221	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
PARCO, INC. 401(K) RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
PARCO, INC.

D Employer Identification Number (EIN)
33-0344119

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD RETIREMENT SAVINGS TRUST

b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
23-2186884-001	C	3142500

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
PARCO, INC. 401(K) RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PARCO, INC.

D Employer Identification Number (EIN)
33-0344119

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	213677	174765
(2) Participant contributions	1b(2)	12188	0
(3) Other	1b(3)	18363	22928
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	340739	444468
(9) Value of interest in common/collective trusts	1c(9)	2953199	3142500
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	4606709	5130165
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	8144875	8914826
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	8144875	8914826

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	174765	
(B) Participants	2a(1)(B)	294859	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		469624
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	34140	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		34140
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	111315	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		111315
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	2247020	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	2242897	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		4123

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	488976	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		488976
(6) Net investment gain (loss) from common/collective trusts	2b(6)		90766
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		2500
d Total income. Add all **income** amounts in column (b) and enter total	2d		1201444
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	380489	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		380489
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		21783
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	29221	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		29221
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		431493
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		769951
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: VICENTI, LLOYD & STUTZMAN LLP (2) EIN: 95-2242818

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
PARCO, INC. 401(K) RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PARCO, INC.

D Employer Identification Number (EIN)
33-0344119

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 45-6062081

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

PARCO, INC. 401(k) RETIREMENT PLAN

REPORT OF AUDITS OF
FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

December 31, 2010 and 2009

PARCO, INC. 401(k) RETIREMENT PLAN

REPORT OF AUDITS
OF FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

TABLE OF CONTENTS
December 31, 2010 and 2009

Independent Auditors' Report 1

Statements of Net Assets Available for Benefits
on December 31, 2010 and 2009 2

Statements of Changes in Net Assets Available for Benefits
for the years ended December 31, 2010 and 2009..... 3

Notes to Financial Statements 4-13

Supplemental Schedule:*

Schedule of Assets Held for Investment Purposes at End of Year 14

*All schedules, other than the Schedule of Assets Held for Investment Purposes at End of Year, required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA have been omitted. The information required by those schedules has been included in the notes to financial statements or the schedules are not applicable.

INDEPENDENT AUDITORS' REPORT

Board of Directors
Parco, Inc.

We were engaged to audit the accompanying statements of net assets available for benefits of Parco, Inc. 401(k) Retirement Plan (the Plan) on December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2010 and the supplemental schedule as of December 31, 2010, as listed in the accompanying table of contents. These financial statements and schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Alerus Financial, N.A, the nondiscretionary trustee of the Plan's investment assets for 2010 and 2009, except for comparing the information with related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the nondiscretionary trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the nondiscretionary trustee as of and for the years ended December 31, 2010 and 2009 that the information provided to the plan administrator by the nondiscretionary trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and schedule, other than that derived from the information certified by the nondiscretionary trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974.

Vicenti, Lloyd & Stutzman LLP

VICENTI, LLOYD & STUTZMAN LLP

July 25, 2011

2210 E. Route 66, Suite 100, Glendora, CA 91740
Tel 626.857.7300 | Fax 626.857.7302 | E-Mail INFO@VLSLLP.COM | Web WWW.VLSLLP.COM

PARCO, INC. 401(k) RETIREMENT PLAN
Statements of Net Assets Available for Benefits
December 31, 2010 and 2009

	2010	2009
Investments:		
Collective trust *(notes 4,5, and 6)*	$3,142,500	2,953,199
Mutual funds *(notes 4,5 and 6)*	5,130,165	4,606,709
Participant notes receivable *(notes 4 and 6)*	444,468	340,739
Total investments	8,717,133	7,900,647
Receivables:		
Participant contributions	-	12,188
Company contributions	174,765	213,677
Payments in transit	22,928	18,363
Total receivables	197,693	244,228
Net assets available for benefits, at fair value	8,914,826	8,144,875
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(125,700)	(63,815)
Net assets available for benefits	$8,789,126	8,081,060

See independent auditors' report and accompanying notes to financial statements.

PARCO, INC. 401(k) RETIREMENT PLAN
Statements of Changes in Net Assets Available for Benefits
Years ended December 31, 2010 and 2009

	2010	2009
Additions to net assets:		
Contributions:		
Participant	$ 294,859	373,506
Company	174,765	213,677
Rollover	-	109,480
Total contributions	469,624	696,663
Investment income:		
Dividends and interest	238,721	225,453
Net appreciation in fair value of mutual funds	493,099	952,842
Net depreciation in contract value of collective trust	(61,885)	(63,815)
Total investment income	669,935	1,114,480
Net additions	1,139,559	1,811,143
Deductions from net assets:		
Benefits paid to participants	(402,272)	(758,876)
Administrative fees	(29,221)	(27,218)
Total deductions	(431,493)	(786,094)
Increase in net assets available for benefits	708,066	1,025,049
Net assets available for benefits:		
Beginning of year	8,081,060	7,056,011
End of year	$8,789,126	8,081,060

See independent auditors' report and accompanying notes to financial statements.

PARCO, INC. 401(k) RETIREMENT PLAN
Notes to Financial Statements

(1) Description of Plan

The following description of the Parco, Inc. 401(k) Retirement Plan (Plan) provides only general information. Participants should refer to the 401(k) Plan Prototype Plan Agreement and the 401(k) Plan Adoption Agreement for a complete description of the Plan.

General - The Plan is a defined-contribution pension plan sponsored and administered by Parco, Inc. (Company) covering substantially all its employees. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and the Economic Growth Tax Relief Reconciliation Act of 2001 (EGTRRA). The plan became effective January 4, 1993 and was last amended effective November 3, 2009 pursuant to the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act) and the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA Act). The plan contains provisions for enhanced safe-harbor matching contributions.

"Safe harbor" means the Plan will satisfy the Actual Deferral Percentage (ADP) and the Actual Contribution Percentage (ACP) tests by making the matching contributions described below. The ADP test is required by the Internal Revenue Code to limit the extent to which contributions by highly compensated participants may exceed contributions by rank-and-file participants. "Enhanced" means the revised matching contributions described below exceed the minimum required by the Code.

Contributions - In general, a participant could contribute up to $16,500 for both 2010 and 2009 and a participant who was at least age 50 by the end of the tax year could make an additional "catch-up" contribution. The maximum catch-up contribution was $5,500 for both 2010 and 2009. Participant contributions are subject to the maximum total contribution described below. A participant may also contribute amounts representing distributions from other qualified defined-benefit or defined-contribution plans.

For both 2010 and 2009, the Company made a matching contribution for each eligible participant of an amount equal to 100 percent of his contributions not exceeding 3 percent of his gross pay, plus 50 percent of his contributions exceeding 3 percent of his gross pay but not exceeding 6 percent of his gross pay. The maximum matching contribution for each participant is an amount equal to 4.5 percent of his gross pay.

The Company contribution for each participant has no separate maximum, but is subject to the maximum total contribution described below.

For both 2010 and 2009, the maximum total contribution was $49,000 or 100 percent of the participant's gross pay up to $245,000, whichever is less. All participant and Company contributions are invested in participant-directed accounts (see paragraph below on Investment Options).

See independent auditors' report.

(1) Description of Plan (continued)

Participant Accounts - Each participant's account is credited with his contributions and allocations of the Company's contribution and Plan earnings. Allocations are based on earnings and participant account balances, as defined. A participant is entitled to the benefit that can be provided from his vested account.

Eligibility and Vesting - An employee may become eligible to make contributions under the Plan on the first day of the quarter coinciding with or immediately following the date three months after his original hire date.

An employee may become eligible to earn matching contributions under the Plan on the first day of the quarter coinciding with or immediately following the date 12 months after his original hire date, if he has been paid for at least 1,000 hours. Otherwise, once an employee has been paid for at least 1,000 hours in a Plan year, he may become eligible to earn matching contributions on the next January 1. All participant and Company contributions are fully vested and nonforfeitable.

Investment Options - The Plan administrator and nondiscretionary trustee is Alerus Financial, N.A. On December 31, 2010, the Plan's assets were invested in one collective trust and 14 mutual funds managed by several mutual fund companies. A brief description of each investment option is provided in note 5. Each participant may direct his contributions, along with his Company contributions, into any of those 15 investment options. Each participant may invest his account among those investment options and may change his options at any time.

Participant Loans - A participant may borrow from the Plan an amount not exceeding the lesser of $50,000 or 50 percent of the value of his account, with a minimum borrowing of $1,000. The promissory note from each participant is for a fixed term, generally not exceeding 5 years. The loans are secured by the balance in the participant's account and bear interest at the rate defined by the Plan's loan policy. Principal and interest are paid ratably through recurring payroll deductions. Participant loans are subject to Company approval and are available for only the purposes stated in the Plan. The interest rate on the notes outstanding on December 31, 2010 was 10 percent.

Payment of Benefits - During his employment, a participant may elect to receive a distribution from his account for certain financial hardships. On termination of employment due to death, disability, or retirement, a participant may elect to receive either a lump sum equal to the value of the participant's vested interest in his account, or payments over a fixed period or the life of the participant or his spouse. On termination of employment for other reasons, a participant may receive the value of the vested interest in his account in a lump sum.

Termination of Plan - The Company has the right to amend or terminate the Plan at any time, subject to the provisions of ERISA. If the Plan is terminated, the Nondiscretionary Trustee will pay each participant the full value of his account in a lump sum.

See independent auditors' report.

(2) Summary of Significant Accounting Policies

Basis of Accounting – The Plan uses the accrual basis of accounting.

Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and ASC 962-325-50-3, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans,* requires that investment contracts held by a defined-contribution plan be reported at fair value. Contract value, however, is the relevant measure of net assets attributable to fully benefit-responsive investment contracts. That is because contract value is the amount participants would receive if they were to initiate permitted transactions under the plan.

The FSP requires that the Statement of Net Assets Available for Benefits present the fair value of fully benefit-responsive investment contracts as well as the adjustment of those contracts from fair value to contract value. The FSP also requires that the Statement of Changes in Net Assets Available for Benefits be prepared using contract value.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition - The Plan's investments are stated at fair value. Investments in securities traded on a national exchange are valued at the published closing price on the last business day of the Plan year. Investments in cash equivalents are valued at cost, and notes receivable from participants are valued at amortized cost, which approximates fair value.

Payment of Benefits - Benefits are recorded when paid.

Plan Administrative Expenses – The Company pays certain administrative expenses incurred by the Plan. Those expenses do not appear in the financial statements of the Plan. The participants pay certain administrative expenses incurred by the Plan. Those expenses appear in the financial statements of the Plan.

(3) Tax Status of Plan

The Internal Revenue Service has issued an opinion letter stating that the underlying prototype plan document meets the requirements of being exempt from federal income taxes. The Company believes that the Plan is currently designed, including plan amendments, and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

See independent auditors' report.

(4) Information Prepared and Certified by Nondiscretionary Trustee

The information presented in this note was obtained from data that has been prepared and certified as complete and accurate by the Nondiscretionary Trustee. Dividend and interest income was $238,721 for the year ended December 31, 2010 and $225,453 for the year ended December 31, 2009. The fair value of investments had net appreciation of $493,099 for the year ended December 31, 2010 and $952,842 for the year ended December 31, 2009.

	2010		2009	
	Cost	Ending Fair Value	Cost	Ending Fair Value
Collective Trust:				
Vanguard Retirement Savings Trust*	3,142,500	3,142,500	2,953,199	2,953,199

* Collective trust represents 5 percent or more of the Plan's net assets at fair value

	2010		2009	
	Cost	Ending Fair Value	Cost	Ending Fair Value
Mutual Funds:				
Amana Trust Income Fund	466,861	557,485	511,953	557,721
American Century Government Bond Fund	256,315	256,939	-	-
Artisan International Fund	74,337	84,896	126,949	141,737
Dodge & Cox International Stock Fund	267,610	319,039	272,177	302,511
Fairholme Fund	617,207	761,222	569,963	629,933
Neuberger Berman Genesis Fund	308,826	404,000	81,531	89,615
Oakmark Equity & Income Fund	779,000	898,825	326,815	364,828
Perkins Mid Cap Value Fund	85,614	106,241	747,494	805,110
Pimco Total Return Institutional Fund	-	-	290,568	296,218
Sound Shore Fund	219,117	216,229	243,161	212,813
T. Rowe Price Capital Appreciation Fund	213,647	239,243	247,531	249,031
Vanguard 500 Index Fund	386,296	354,698	354,399	280,590
Vanguard Capital Opportunity Fund	333,777	356,226	271,520	258,581
Vanguard Intermediate Term Bond Index Fund	-	-	187,392	193,435
Vanguard Primecap Fund	314,656	322,914	249,091	224,586
Vanguard Total Bond Market Index Fund	250,047	252,208	-	-
	4,573,310	5,130,165	4,480,544	4,606,709

See independent auditors' report.

(4) Information Prepared and Certified by Nondiscretionary Trustee (continued)

The fair value of individual mutual funds that represent 5 percent or more of the Plan's net assets at fair value on December 31, 2010 and December 31, 2009 are as follows:

	2010	2009
Amana Trust Income Fund	$ 557,485	557,721
Fairholme Fund	761,222	629,933
Oakmark Equity & Income Fund	898,825	805,110

	2010		2009	
	Amortized Cost	Ending Fair Value	Amortized Cost	Ending Fair Value
Participant Notes Receivable:				
Loan Fund	444,468	444,468	340,739	340,739

(5) Investment Options

Below is a description of the 15 investment options currently available to participants. The options are listed in alphabetical order.

a) ***Amana Trust Income Fund*** - The Amana Income Fund invests primarily in common stock of large companies based in the United States. Morningstar classifies the fund's investment style as a blend of value and growth oriented.

b) ***American Century Government Bond Fund*** - The American Century Government Bond Fund invests primarily in investment-grade government bonds. The fund's investments have an intermediate average maturity.

c) ***Artisan International Fund*** - The Artisan International Fund invests primarily in common stock of large companies based in Western Europe, Asia, and Japan. Morningstar classifies the fund's investment style as growth oriented.

d) ***Dodge & Cox International Stock Fund*** - The Dodge & Cox International Stock Fund invests primarily in common stock of large companies based in Western Europe and Japan. Morningstar classifies the fund's investment style as blend of value and growth oriented.

e) ***Fairholme Fund*** - The Fairholme Fund invests primarily in common stock of medium-sized companies based in the United States. Morningstar classifies the fund's investment style as value oriented.

f) ***Neuberger Berman Genesis Fund*** - The Neuberger Berman Genesis Fund invests primarily in common stock of medium-sized companies based in the United States. Morningstar classifies the fund's investment style as growth oriented.

See independent auditors' report.

(5) Investment Options (continued)

g) ***Oakmark Equity & Income Fund*** - The Oakmark Equity & Income Fund invests primarily in common stock of large companies based in the United States. Morningstar classifies the fund's stock investment style as growth oriented. The fund also invests in convertible preferred stock and convertible bonds.

h) ***Perkins Mid Cap Value Fund*** - The Perkins Mid Cap Value Fund invests primarily in common stock of medium-sized companies based in the United States. Morningstar classifies the fund's investment style as a blend of value and growth oriented .

i) ***Sound Shore Fund*** - The Sound Shore Fund invests primarily in common stock of large companies based in the United States. Morningstar classifies the fund's investment style as value oriented.

j) ***T. Rowe Price Capital Appreciation Fund*** - The T. Rowe Price Capital Appreciation Fund invests primarily in common stock of medium-sized companies based in the United States. Morningstar classifies the fund's stock investment style as a blend of value and growth oriented. The fund also invests in convertible preferred stock and convertible bonds.

k) ***Vanguard 500 Index Fund*** - The Vanguard 500 Index Fund invests substantially all its assets in the common stock that makes up the Standard & Poor's 500 Stock Index, holding each stock in about the same proportions as its weighting in the Index. The S&P 500 Index is composed of the common stock of 500 of the largest companies based in the United States. Morningstar classifies the fund's investment style as a blend of value and growth oriented.

l) ***Vanguard Capital Opportunity Fund*** - The Vanguard Capital Opportunity Fund invests primarily in common stock of large companies based in the United States. Morningstar classifies the fund's investment style as growth oriented.

m) ***Vanguard Total Bond Market Index Fund*** - The Vanguard Total Bond Market Index Fund invests primarily in investment-grade corporate and government bonds. The fund's investments have an intermediate average maturity.

n) ***Vanguard Primecap Fund*** - The Vanguard Primecap Fund invests primarily in common stock of large companies based in the United States. Morningstar classifies the fund's investment style as growth oriented.

o) ***Vanguard Retirement Savings Trust*** - The Vanguard Retirement Savings Trust is a collective trust that invests primarily in investment contracts issued by insurance companies and banks. The trust's investments have a short average maturity.

See independent auditors' report.

(6) Fair Value of Investments

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits.

Financial Accounting Standards Board ASC 820-10, Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 input consists of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

Level 1 Fair Value Measurements

The fair values of registered investment companies are based on quoted market prices.

Level 2 Fair Value Measurements

The fair value of the Plan's interest in the collective trust is based on the beginning of year value of the Plan's interest in the trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. Quoted market prices are used to value investments in the collective trust, when available.

Level 3 Fair Value Measurements

The participant notes are not actively traded and significant other observable inputs are not available. Thus, the fair value of the participant notes is equal to the amortized cost of the loans because the notes are secured by each respective participant's account balance.

See independent auditors' report.

(6) Fair Value of Investments (continued)

The following table states by level, within the fair value hierarchy, the Plan's assets as of December 31, 2010 and 2009.

	2010			
	Fair Value	Level 1	Level 2	Level 3
Collective trust	3,142,500	-	3,142,500	-
Mutual funds	5,130,165	5,130,165	-	-
Participant notes receivable	444,468	-	-	444,468
	8,717,133	5,130,165	3,142,500	444,468

	2009			
	Fair Value	Level 1	Level 2	Level 3
Collective trust	2,953,199	-	2,953,199	-
Mutual funds	4,606,709	4,606,709	-	-
Participant notes receivable	340,739	-	-	340,739
	7,900,647	4,606,709	2,953,199	340,739

The following table provides further detail of the Level 3 fair value measurements.

	Participant Notes
Beginning balance	$ 340,739
Add:	
New loans	240,959
Interest and loan fees	37,960
Deduct:	
Payments	(153,407)
Defaults	(21,783)
Ending balance	$ 444,468

See independent auditors' report.

(6) Fair Value of Investments (continued)

The preceding methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at that reporting date.

Investment Contract With Insurance Company

The Plan entered into a fully benefit-responsive investment contract with Vanguard Retirement Savings Master Trust (Trust). Vanguard maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at contract value as reported to the plan by Alerus Financial, N.A. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The alternative investment contracts issuers are contractually obligated to repay the principal and a specified interest rate that is guaranteed to the plan. As described in Note 2, because the alternative investment contracts are fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the alternative investment contracts.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract on December 31, 2010 and 2009 was $3,142,500 and $2,953,199, respectively. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than zero percent. Such interest rates are reviewed on at least a quarterly basis for resetting.

Certain events limit the ability of the plan to transact at contract value with the issuer. Such events include the following: (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (3) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The plan administrator does not believe that any events which would limit the plan's ability to transact at contract value with participants are probable of occurring.

The alternative investment contracts do not permit the insurance companies to terminate the agreement prior to the scheduled maturity date.

The average yield earned by the plan from the Vanguard Retirement Savings Master Trust for the years ending December 31, 2010 and December 31, 2009 are as follows:

	2010	2009
Based on actual earnings	2.92%	2.98%
Based on interest rate credited to participants	3.58%	2.98%

See independent auditors' report.

(7) Reconciliation to Form 5500

The Plan submits an Annual Report/Return of Employee Benefit Plan (Form 5500) to the Internal Revenue Service. The Plan reports the collective trust at contract value as described in Note 2. However, the Form 5500 reports the collective trust at fair value.

The following is a reconciliation of net assets available for benefits shown on the financial statements on December 31, 2010 to the Form 5500:

Net assets available for benefits shown on the financial statements	$ 8,789,126
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	125,700
Net assets available for benefits shown on the Form 5500	$ 8,914,826

The following is a reconciliation of investment income shown on the financial statements on December 31, 2010 to the Form 5500:

Total income shown on the financial statements	$ 1,139,559
Cumulative adjustment from contract value to fair value for fully benefit-responsive investment contracts	61,885
Total income shown on the Form 5500	$ 1,201,444

(8) Reportable Transactions

During the years ended December 31, 2010 and December 31, 2009 there were no reportable transactions. The plan sponsor does not consider participant-directed transfers between funds as reportable transactions.

(9) Subsequent Events

All events subsequent to the statement of net assets available for benefits date of December 31, 2010, through July 25, 2011 which is the date these financial statements were available to be issued, have been evaluated by management. There were no subsequent events requiring recognition as of July 25, 2011.

See independent auditors' report.

SUPPLEMENTAL SCHEDULE

PARCO, INC. 401(k) RETIREMENT PLAN
EIN: 33-0344119, PN: 001
Schedule of Assets Held for Investment Purposes at End of Year
December 31, 2010[1]

(a) Party in Interest[2]	(b) Identity of Issuer / (c) Description of Investment	(d) Cost	(e) Ending Fair Value
	Collective trust:		
	Vanguard Retirement Savings Trust	$ 3,142,500	3,142,500
	Mutual Funds:		
	Amana Trust Income Fund	$ 466,861	557,485
	American Century Government Bond Fund	256,315	256,939
	Artisan International Fund	74,337	84,896
	Dodge & Cox International Stock Fund	267,610	319,039
	Fairholme Fund	617,207	761,222
	Neuberger Berman Genesis Fund	308,826	404,000
	Oakmark Equity & Income Fund	779,000	898,825
	Perkins Mid Cap Value Fund	85,614	106,241
	Sound Shore Fund	219,117	216,229
	T. Rowe Price Capital Appreciation Fund	213,647	239,243
	Vanguard 500 Index Fund	386,296	354,698
	Vanguard Capital Opportunity Fund	333,777	356,226
	Vanguard Primecap Fund	314,656	322,914
	Vanguard Total Bond Market Index Fund	250,047	252,208
	Total mutual funds	4,573,310	5,130,165
	Participant Loans (10% interest rate)	-	444,468
		$ 7,715,810	8,717,133

[1] This schedule was prepared from data certified by the Nondiscretionary Trustee.
[2] Two asterisks (**) in this column identify a party in interest.

See independent auditors' report.

PARCO, INC. 401(k) RETIREMENT PLAN
EIN: 33-0344119, PN: 001
Schedule of Assets Held for Investment Purposes at End of Year
December 31, 2010[1]

(a) Party in Interest[2]	(b) Identity of Issuer / (c) Description of Investment	(d) Cost	(e) Ending Fair Value
	Collective trust:		
	Vanguard Retirement Savings Trust	$ 3,142,500	3,142,500
	Mutual Funds:		
	Amana Trust Income Fund	$ 466,861	557,485
	American Century Government Bond Fund	256,315	256,939
	Artisan International Fund	74,337	84,896
	Dodge & Cox International Stock Fund	267,610	319,039
	Fairholme Fund	617,207	761,222
	Neuberger Berman Genesis Fund	308,826	404,000
	Oakmark Equity & Income Fund	779,000	898,825
	Perkins Mid Cap Value Fund	85,614	106,241
	Sound Shore Fund	219,117	216,229
	T. Rowe Price Capital Appreciation Fund	213,647	239,243
	Vanguard 500 Index Fund	386,296	354,698
	Vanguard Capital Opportunity Fund	333,777	356,226
	Vanguard Primecap Fund	314,656	322,914
	Vanguard Total Bond Market Index Fund	250,047	252,208
	Total mutual funds	4,573,310	5,130,165
	Participant Loans (10% interest rate)	-	444,468
		$ 7,715,810	8,717,133

[1] This schedule was prepared from data certified by the Nondiscretionary Trustee.
[2] Two asterisks (**) in this column identify a party in interest.

See independent auditors' report.