

401(k) Plan, Profit Sharing Plan

Eligibility: Employees become eligible for both the 401(k) Plan and Profit Sharing Plan once they have met eligibility requirements. An employee's first opportunity to become eligible for the Plan is the entry date following their first anniversary. Entry dates are either January 1st or July 1st. The employee must be 21 years of age and work at least 1000 hours over the course of their first year, starting from their date of hire.

An employee who has not yet met the eligibility requirements by their anniversary date may become eligible if they work over 1000 hours in any calendar year. Calendar years are dated from January 1st to December 31st, while an employee's first year with Palo Alto Staffing Services dates from their date of hire to their first anniversary.

Example:

Start date is 1/4/08...anniversary date is 1/4/09, next entry date is 7/1/09

Start date is 9/17/08...anniversary date is 9/17/09, next entry date is 1/1/10

401(k) Plan

The MacLeod Investments, Inc. 401(k) Plan and Trust provide employees an opportunity to accumulate savings on a tax-deferred basis. Through payroll deductions, employees can direct up to 100% of their salary to the annual IRS maximum. Salary deferrals for participants under age 50 as of last day of the calendar year for 2008 is \$15,500. Salary deferrals for participants age 50+ as of last day of the calendar year for 2008 is \$20,500.

Profit Sharing Plan

Any contribution to this plan will be at the discretion of management. The level of profitability must support this program.

All participants are eligible to retire with their full retirement benefit on the attainment of age 65. Upon normal retirement participants will be entitled to the full value of their account.

A participant's account balance maintained from employee-derived contributions is 100% vested and non-forfeitable at all times.

Upon termination for any reason other than death, disability or retirement, a participant shall be entitled to a portion of his account balance derived from employer discretionary contributions in accordance with the following vesting schedule:

Counted years and vested percentage:

1 year: vested percentage is 0%

2 years: vested percentage is 20%

3 years: vested percentage is 40%

4 years: vested percentage is 60%

5 years: vested percentage is 80%

6 years: vested percentage is 100%

All years of service will be counted except years with less than 1,000 hours. Contributions will be allocated evenly in proportion to compensation. Each year any forfeiture is added to the contribution.

Palo Alto Staffing Services is pleased to offer you this opportunity to help you prepare for your future. If you have any further questions, you may contact our Plan Administrator, Maxine Berg at Plan Design Consultants, Inc. You may reach her at 650-341-3322.