

**SUMMARY PLAN DESCRIPTION
FOR
OFFICE SOLUTIONS, INC. 401(K) SAVINGS PLAN**

Office Solutions, Inc. 401(k) Savings Plan

Summary Plan Description

Table of Contents

DESCRIPTION	PAGE
INTRODUCTION	1
GENERAL INFORMATION	1
PARTICIPATION IN YOUR PLAN	2
Who may participate?	2
Who is considered an employee?	2
Are any employee groups ineligible to participate?	2
What types of contributions are available in the plan?	2
What are the requirements to be eligible to make salary deferrals?	3
What are the requirements to be eligible for employer profit sharing contributions?	3
What are the requirements to be eligible for matching contributions?	3
How do I start contributing salary deferrals?	3
What compensation will be used for my contributions in the plan?	3
Is there a limit on compensation for plan purposes?	3
Does plan compensation include monies paid to me during an absence or after my employment ends?	3
How are hours of service determined?	4
What is a year of service for eligibility purposes?	4
What is a break in service for eligibility purposes?	4
CONTRIBUTIONS	4
YOUR CONTRIBUTIONS TO THE PLAN:	4
What are pre-tax salary deferrals?	4
What are Roth salary deferrals?	4
Are there limits to how much I can contribute?	5
What are catch-up contributions?	5
When can I expect my salary deferrals to be deposited?	5
When can I change my salary deferral election?	5
What happens if I am contributing to another plan from a different employer?	5
Does the plan accept rollovers?	5
YOUR COMPANY CONTRIBUTIONS TO THE PLAN:	5
What are matching contributions?	6
Which employee contributions are eligible to receive matching contributions?	6
Are there requirements to receive the matching contributions?	6
What happens if I die, retire or become disabled during the plan year?	6
How is the matching contribution determined?	6
When can I expect the matching contributions to be allocated?	6
What are profit sharing contributions?	6
Are there requirements to receive a profit sharing contribution?	6
What happens if I die, retire or become disabled during the plan year?	6
How is the profit sharing contribution determined?	6
When can I expect the employer profit sharing contributions to be allocated?	6
When can I expect the employer contributions to be deposited?	7
When is a plan top heavy?	7
How will the plan operate in top heavy years?	7
VESTING	7

What is a year of service for vesting purposes?	7
What is a break in service for vesting purposes?	7
Is any of my service excluded for vesting purposes?	7
How is my vested percentage calculated?	7
What is the top heavy vesting schedule?	8
What vesting schedule applies to my employee contribution account(s)?	8
Does my vested percentage change if I die?	8
What is my vested percentage if I become disabled?	8
What happens if I terminate employment before I am fully vested?	8
What happens to my forfeited amounts, if I am rehired into a position covered by the plan?	8
If I am rehired into a position covered by the plan, how is my vesting service calculated?	9
INVESTMENT ACCOUNTS	9
What is the value of my account?	9
How are my accounts invested?	9
Does my plan offer life insurance as an investment?	10
May I take a loan from my accounts?	10
Where can I learn about the plan expenses?	10
DISTRIBUTIONS	10
Does my plan allow hardship distributions?	10
Does the plan allow for in-service distributions?	10
May I take a distribution of my Roth deferrals?	11
What are my normal retirement benefits?	11
When will I receive my normal retirement benefits?	11
When will my beneficiary receive my benefits if I die?	11
Does the plan have disability benefits?	11
What benefits will I receive upon termination?	12
How might divorce or a Qualified Domestic Relations Order affect my benefits?	12
How will I receive my distribution?	12
Will the plan automatically distribute any of my benefit?	13
What is a Required Minimum Distribution?	13
How will my distributions be taxed?	13
Who may I name as my beneficiary?	13
OTHER IMPORTANT INFORMATION	14
Are my benefits protected?	14
Can the Plan be amended or terminated?	14
Does Pension Benefit Guaranty Corporation Insurance apply to this plan?	14
What are the claims for benefits procedures under this plan?	14
PARTICIPANT RIGHTS UNDER ERISA	15
Receive information about your plan and your benefits	16
Actions by plan fiduciaries	16
Enforcing your rights	16
Assistance with your questions	16
APPENDIX 1 - LOAN POLICY	17

SUMMARY PLAN DESCRIPTION FOR OFFICE SOLUTIONS, INC. 401(K) SAVINGS PLAN

INTRODUCTION

Effective January 1, 1995, Office Solutions, Inc. established the Office Solutions, Inc. 401(k) Savings Plan for the exclusive benefit of all eligible employees and their beneficiaries with the intention to provide a measure of retirement security for your future.

This Summary Plan Description reflects the plan options as of January 1, 2016.

This Summary Plan Description is a brief description of your plan and your rights and benefits under the plan and is not intended to cover every plan provision. This Summary Plan Description is not meant to interpret or change the provisions of your plan. A copy of your plan is on file at your employer's office and may be read by you, your beneficiaries, or your legal representatives at any reasonable time. This plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). If you have any questions regarding either your plan or this Summary Plan Description, you should ask your plan administrator. If any discrepancies exist between this Summary Plan Description and the actual provisions of the plan, the plan shall govern.

GENERAL INFORMATION

Plan Name: Office Solutions, Inc. 401(k) Savings Plan

Employer: Office Solutions, Inc.
23303 La Palma Ave.
Yorba Linda, CA 92887-4773
(714) 692-7412

Employer Tax ID: 33-0718372

Three Digit Plan Number: 001

Type of Plan: Cash or Deferred Profit Sharing Plan

Administration Type: Administration by Trustee

Plan Administrator: Office Solutions, Inc.
23303 La Palma Ave.
Yorba Linda, CA 92887-4773
(714) 692-7412

Plan Administrator ID Number: 33-0718372

Legal Agent: Office Solutions, Inc.
23303 La Palma Ave.
Yorba Linda, CA 92887-4773
(714) 692-7412

Service of legal process may also be made upon a plan trustee or the plan administrator as listed herein.

Trust Name: Office Solutions, Inc. 401(k) Savings Trust

Trustees:	Robert Mairena 23303 La Palma Ave. Yorba Linda, CA 92887-4773 (714) 692-7412
	Cynthia Mairena 23303 La Palma Ave. Yorba Linda, CA 92887-4773 (714) 692-7412
Funding Arrangement:	Trust and Insurance
Trust Tax ID Number:	33-0718372
Plan Year:	January 1st to December 31st
Limitation Year:	January 1st to December 31st
Anniversary Date:	December 31st
Valuation Date:	The last day of the plan year for pooled accounts and daily valuation for individual investment accounts Daily

PARTICIPATION IN YOUR PLAN

In order to take advantage of the opportunities provided by your plan you must participate in the plan. There may be certain restrictions to your eligibility and participation. The following is information about how you can participate in the plan.

Who may participate?

As an employee of Office Solutions, Inc. you may participate in the plan, once you have met the eligibility requirements.

Who is considered an employee?

An employee is an individual who performs services for the employer as a common law employee, a self-employed individual who is treated as an employee, or a leased employee.

Are any employee groups ineligible to participate?

The following individuals are not eligible for participation in the plan:

1. Members of a collective bargaining unit where retirement benefits were the subject of good faith bargaining; and
2. Non-resident aliens with no U.S. source income.

What types of contributions are available in the plan?

There are 4 different contribution types available in the plan:

1. Employer Non-Elective: This is also known as a profit sharing contribution. Your employer may, at its discretion, make a profit sharing contribution to the plan.
2. Elective Deferrals: This type of contribution is also known as a 401(k) contribution or a salary deferral contribution. Roth salary deferrals are after-tax elective deferrals.
3. Employer Matching: In order to share in matching contributions, you must be making salary deferrals to the plan. Matching contributions, if any, are based on your salary deferrals.
4. Rollovers: You may make rollovers to this plan as described in the question "Does the plan accept rollovers?" in the "Contributions" section.

There are different eligibility and entry date requirements for each contribution type in the plan. Meeting all the eligibility requirements for one contribution type does not automatically make you eligible for other contributions in the plan.

What are the requirements to be eligible to make salary deferrals?

To be eligible to make a salary deferral contribution you must have attained age 21 and completed one (1) year of service. This requirement is not satisfied until the last day of the 12-month period. For more information, see "What is a year of service for eligibility purposes?". Once you have met this requirement, you will enter the plan on the first day of each calendar month of the plan year, coincident with or next following satisfaction of the eligibility requirements.

What are the requirements to be eligible for employer profit sharing contributions?

To be eligible to receive an employer profit sharing contribution you must have attained age 21 and have completed one (1) year of service. This requirement is not satisfied until the last day of the 12-month period. For more information, see "What is a year of service for eligibility purposes?". Once you have met this requirement, you will enter the plan on the first day of each calendar month of the plan year, coincident with or next following satisfaction of the eligibility requirements.

What are the requirements to be eligible for matching contributions?

To be eligible to receive a matching contribution you must have attained age 21 and have completed one (1) year of service. This requirement is not satisfied until the last day of the 12-month period. For more information, see "What is a year of service for eligibility purposes?". Once you have met this requirement, you will enter the plan on the first day of each calendar month of the plan year, coincident with or next following satisfaction of the eligibility requirements.

How do I start contributing salary deferrals?

To contribute to your plan, your employer will ask you to complete a salary deferral agreement. It is here that you tell your employer how much of your income you wish to defer to your plan. These contributions will be deducted from your paycheck on a pre-tax or after-tax basis. You do not have to complete a salary deferral agreement to receive an employer profit sharing contribution.

What compensation will be used for my contributions in the plan?

The compensation used to calculate your salary deferral, profit sharing and matching contributions will be based on your wages defined under section 415(c) that includes wages, salaries and fees paid for professional services, including compensation due to SEP deferrals (section 402(h)(1)(B)), cafeteria plan deferrals under section 125, deemed section 125 compensation, transportation compensation (section 132(f)(4)), 401(k) and 403(b) deferrals (section 402(e)), 457(b) deferrals, and 402 (k) deferrals (section 408(p)).

The first year you are a participant your compensation will be for the entire 12-month compensation period.

Also, your plan compensation for one year includes the pay you receive during the first few weeks of the following year due to small payroll timing differences.

Is there a limit on compensation for plan purposes?

The IRS limits the amount of compensation that may be taken into account for each participant for each plan year. For 2019, that limit is \$280,000. For future years, the limit is subject to cost-of-living increases as published by the IRS.

Does plan compensation include monies paid to me during an absence or after my employment ends?

Usually, only the amounts paid to you while you are an employee are considered plan compensation (described above). However, the plan may consider certain types of pay as plan compensation, though paid during an absence or after you leave employment.

If you are totally and permanently disabled, compensation under your plan will not include disability-related salary continuation payments.

Payments you receive after terminating employment might be considered plan compensation, if they meet the definition of

"post-severance compensation." To be considered post-severance compensation, the payment must be one that you would have received had employment continued, such as your salary or wages. Post-severance compensation does not include severance pay, or other amounts you receive only because your employment ended.

To be included in plan compensation, post-severance compensation must be paid to you by the later of the end of the limitation year in which your employment ends, or within 2-1/2 months after the date your employment ends.

Payments for unused accrued sick, vacation, or other leave that you would have been able to use if your employment had continued are not included in your plan's post-severance compensation.

How are hours of service determined?

You are credited with the actual hours you work, and for hours for which you are paid but not at work, such as paid vacation or paid sick leave.

However, if records of your hours are not maintained, you are credited with 10 hours each day in which you work at least one hour, as a backup method of crediting you with hours of service.

What is a year of service for eligibility purposes?

You will earn a year of service for eligibility purposes if you are credited with 1000 hours. The "eligibility computation period" is the 12-month period that begins with the date you were hired and each subsequent period begins on the anniversary of the date you were hired.

What is a break in service for eligibility purposes?

When you fail to complete more than 500 hours during the eligibility computation period, you incur a break in service. However, in certain circumstances, your plan is required to credit you with 500 hours, even though you didn't actually work 500 hours. This is primarily if you take time off to have, adopt or care for a child for a period immediately following the birth or adoption. You will receive this credit only for the purpose of determining whether you have incurred a break in service and not for receiving additional credit for a contribution or for vesting.

CONTRIBUTIONS

As a plan participant, you can contribute your pay on a tax-deferred basis (that is, before federal income taxes are deducted) or on an after-tax basis (that is, after federal income taxes are deducted). Your employer may also make contributions to the plan.

YOUR CONTRIBUTIONS TO THE PLAN:

When you enroll in the plan, you may make your salary deferrals on a pre-tax basis, an after-tax basis or a combination of the two. You will also select the percentage or dollar amount of your pay to be deducted as a pre-tax or an after-tax salary deferral. Your employer will deduct the amount you've elected from your paycheck in accordance with procedures established by your employer.

What are pre-tax salary deferrals?

Pre-tax salary deferrals are deducted from your pay before federal income taxes are calculated. This reduces your taxable income by the amount you have elected to save under the plan. Since your taxable income is reduced, you pay less in current federal income taxes. This money is accumulated on a tax deferred basis until it is distributed from the plan. You should consult your plan administrator or tax advisor regarding treatment of salary deferrals for purposes of state and local taxes. See "Distributions" for additional information on tax consequences when you withdraw your money from the plan.

What are Roth salary deferrals?

All employees who are eligible to make pre-tax salary deferrals can also make after-tax salary deferrals. These contributions are also known as Roth deferral contributions. This means that you will be taxed on the money when it is withheld from your paycheck. You can contribute all or a portion of salary deferrals as a Roth deferral. There are certain withdrawal restrictions for Roth deferral contributions. See "May I take a distribution of my Roth deferrals?" in the distribution section of this SPD.

Also, you may convert certain pre-tax accounts to a Roth account through a special type of in-service distribution called an "in-plan Roth conversion."

Are there limits to how much I can contribute?

There are no plan imposed limits on the amount you may defer.

The IRS limits the maximum amounts that can be contributed on a pre-tax or after-tax salary deferral basis. For 2019, that limit is \$19,000. For future tax years, the limit is subject to cost-of-living increases as published by the IRS.

If you are age 50 or older, you may be able to contribute in excess of this limit. See "What are catch-up contributions?" below.

What are catch-up contributions?

All employees who are eligible to make salary deferrals under this plan and who are age 50 or older before the close of a plan year, are eligible to make catch-up contributions. The catch-up contributions are in addition to the regular salary deferrals mentioned above. The IRS limits the amount that can be contributed as a catch-up contribution. For the 2019 tax year, that limit is \$6,000. For future tax years, the limit is subject to cost-of-living increases as published by the IRS.

When can I expect my salary deferrals to be deposited?

Salary deferrals are deposited in the trust as soon as reasonably possible, following guidelines issued by the Department of Labor.

When can I change my salary deferral election?

You may make an election, or change an election the first day of the plan quarter.

You may revoke your salary deferral election at any time.

What happens if I am contributing to another plan from a different employer?

If you participate in two or more deferred compensation plans (which include 401(k), Simplified Employee Pensions and 403(b) plans), your total deferrals to all plans could exceed IRS limits for the year. To avoid paying excise taxes if excess contributions have to be returned, you may want to designate which plan is to return any excess contributions to you.

If you elect to have this plan return any excess, you should notify the plan administrator so that the excess can be returned to you, along with any earnings, before April 15th following the year in which the deferrals were withheld.

Does the plan accept rollovers?

Rollovers are permitted only if you are a participant.

Direct transfer rollovers are permitted from a qualified plan described in Code sections 401(a) or 403(a), excluding after-tax employee contributions; and an individual retirement account or annuity described in Code sections 408(a) or (b) that is eligible to be rolled over, limited to amounts that would otherwise be includible in gross income.

You may roll over an eligible distribution from a qualified plan described in Code sections 401(a) or 403(a), excluding after-tax employee contributions; and an individual retirement account or annuity described in Code sections 408(a) or (b) that is eligible to be rolled over, limited to amounts that would otherwise be includible in gross income.

In-kind rollovers are not permitted.

YOUR COMPANY CONTRIBUTIONS TO THE PLAN:

In addition to your salary deferrals, your employer may make other types of contributions to the plan, such as a profit sharing contribution, or a matching contribution.

What are matching contributions?

As an incentive to make salary deferrals to the plan your employer may contribute a certain percentage or dollar amount each year. This additional employer contribution is known as a matching contribution.

Which employee contributions are eligible to receive matching contributions?

Pre-tax salary deferral contributions, Roth deferral contributions, and catch-up salary deferral contributions are eligible to be matched, and will be matched at the same rate, as described in the following questions.

Are there requirements to receive the matching contributions?

To be eligible to receive an allocation of matching contributions, you must complete 1000 hours of service during the plan year and be employed the last day of the plan year.

What happens if I die, retire or become disabled during the plan year?

If you die during the plan year, you will receive a contribution regardless of the hours you worked during the plan year.

If you die or become disabled while in qualified military service on or after January 1, 2008, you will receive an employer contribution as if you had returned to work, and then died or became disabled while working for your employer.

How is the matching contribution determined?

The amount of the match depends on your salary deferrals. Each year, your employer may, at its discretion, contribute an amount that will be allocated as a percentage of each tier of your salary deferrals as determined by your employer, or as a flat dollar amount allocated on a uniform basis to all participants, as your employer elects each year. There are no additional limits imposed on the matching contributions.

When can I expect the matching contributions to be allocated?

The matching contributions made by your employer will be allocated to your matching contribution account as of the last day of the plan year.

What are profit sharing contributions?

The company may make a profit sharing contribution to the plan each year and in such amount, if any, as it may determine.

Are there requirements to receive a profit sharing contribution?

To be eligible to receive an allocation of the discretionary employer profit sharing contributions, you must complete 1000 hours of service during the plan year and be employed the last day of the plan year.

What happens if I die, retire or become disabled during the plan year?

If you die during the plan year, you will receive a contribution regardless of the hours you worked during the plan year.

If you die or become disabled while in qualified military service on or after January 1, 2008, you will receive an employer contribution as if you had returned to work, and then died or became disabled while working for your employer.

How is the profit sharing contribution determined?

Your share of the discretionary contribution is determined each year as a percentage of compensation or a dollar amount per participant. Your plan creates a separate employee classification group for each eligible employee.

When can I expect the employer profit sharing contributions to be allocated?

The profit sharing contributions made by your employer will be allocated to your profit sharing account as of the last day of

the plan year.

When can I expect the employer contributions to be deposited?

The employer contributions to the trust are normally paid by the company directly to the Trust either during the plan year or after the close of the plan year (within the time during which the company has to file its federal tax return).

When is a plan top heavy?

The plan becomes top heavy if more than 60% of the account balances are attributable to "key employees". Key employees are certain highly compensated officers or owner/shareholders.

Each year, the plan administrator will make a top heavy determination.

How will the plan operate in top heavy years?

If your plan is top heavy, all participants must receive a minimum contribution for such plan year. This amount is based on the amount of contribution that the key employees receive and may be zero. There may also be a change to the vesting schedule for that year. See "What is the top heavy vesting schedule?"

VESTING

Vesting is the non-forfeitable balance of your employer contribution account(s) that you will be entitled to receive after your employment with the company ends. If you terminate employment before you meet the requirements for retirement, the distribution from your employer contribution account(s) will be limited to the vested portion. Your vesting percentage grows with your years of vesting service.

What is a year of service for vesting purposes?

You are credited with the actual hours you work, and for hours for which you are paid but not at work, such as paid vacation or paid sick leave. You will earn a year of service for purposes of vesting if you are credited with 1000 hours of service during the plan year. You cannot earn more than one year of vesting service during the plan year.

What is a break in service for vesting purposes?

When you fail to complete more than 500 hours during the plan year, you incur a break in service. If you have incurred a break in service, your vesting percentage will not increase for the period in which the break occurs.

However, in certain circumstances, your plan is required to credit you with 500 hours, even though you didn't actually work that number of hours. This is primarily if you take time off to have, adopt or care for a child for a period immediately following the birth or adoption. You will receive this credit only for the purpose of determining whether you have incurred a break in service and not for receiving additional credit for a contribution or for vesting.

Is any of my service excluded for vesting purposes?

No, all years of vesting service with your employer except those excluded due to a break in service will be included in determining your vested account balance.

How is my vested percentage calculated?

If you leave employment due to termination, you are entitled to your employer accounts along with earnings, based on the following schedules:

Vesting Schedule for Employer Profit Sharing:

<u>Years of Vesting Service</u>	<u>Percent Vested</u>
Less than 2	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 or more	100%

Vesting Schedule for Employer Matching:

<u>Years of Vesting Service</u>	<u>Percent Vested</u>
Less than 2	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 or more	100%

What is the top heavy vesting schedule?

When the plan is top heavy, your employer accounts will be vested according to the following top heavy vesting schedule:

<u>Years of Vesting Service</u>	<u>Percent Vested</u>
Less than 2	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 or more	100%

What vesting schedule applies to my employee contribution account(s)?

Salary deferrals (including catch-up contributions and Roth contributions) and rollovers along with the earnings associated with these accounts are always 100% vested.

Does my vested percentage change if I die?

If you die while still an employee, your employer profit sharing account, and employer matching account will become 100% vested. Your beneficiary will be entitled to receive 100% of your accounts.

What is my vested percentage if I become disabled?

If you are disabled while still an employee, you will be entitled to a percentage of your employer profit sharing account, and employer matching account based on the plan's vesting schedule above.

What happens if I terminate employment before I am fully vested?

The non-vested portion of your account will be forfeited and used to offset plan expenses or may be used to reduce the employer or matching contribution. The forfeiture takes place as of the valuation date following the distribution date when you receive the final (complete) distribution of your distributable benefit.

What happens to my forfeited amounts, if I am rehired into a position covered by the plan?

If you were not vested (that is, 0% vested), when you severed employment, and you rejoin the plan before incurring a 5-year break in service, the amounts you forfeited will be restored as of your rehire date.

If you were partially vested (more than 0% but less than 100%), and received a distribution of your vested amounts, the

forfeited amount may be restored. However, to restore the forfeiture, you must repay the full amount of your distribution by the earlier of:

- * five (5) years after your rehire date, or
- * the date you incur a 5-year break following the date of the distribution

If I am rehired into a position covered by the plan, how is my vesting service calculated?

If you were fully (100%) vested at the time your employment ended, you will resume participation and be 100% vested immediately, on your rehire date. This means that the vesting service you earned prior to severing employment (pre-break) will be added to the vesting service you earn after reemployment (post-break).

If you were not fully vested when your employment ended, the length of your break in service determines how your vesting service will be calculated, when you resume participation in the plan.

If your break in service is less than 5 years, your pre-break vesting service will be added to your post-break vesting service. Thus, your total years of vesting service are counted toward vesting in:

- * the employer contributions credited to your account after you return, and
- * the pre-break non-vested employer account remaining in the plan, if you did not receive a distribution.

However, if you received a distribution from your employer account, and you would like to have your total years of vesting service (pre-break plus post-break) count toward vesting in your pre-break non-vested employer account, you must repay the full amount of your distribution by the earlier of:

- * five (5) years after your rehire date, or
- * the date you incur a 5-year break following the date of the distribution. If your break in service is five years or more and you were not fully vested (less than 100%) when you ended your employment, when you are reemployed you will no longer have a vested interest in any pre-break non-vested employer account balance.

However, all your service (pre-break plus post-break) counts toward vesting in employer contributions credited after you are reemployed.

INVESTMENT ACCOUNTS

Under Office Solutions, Inc. 401(k) Savings Plan, the money you deposit and any employer contributions are held in a trust, and placed into investment accounts, which are credited with gains and losses at each valuation date.

Separate accounts are set up for each different type of money, for example: 401(k) deposits, matching, discretionary, rollover, employer contributions (if any) and qualified non-elective contributions because there are different plan and IRS rules for each type of contribution.

What is the value of my account?

The value of each of your accounts is established as of the valuation date under your plan. The valuation date is the last day of the plan year for pooled accounts and daily valuation for individual investment accounts. daily.

As of the valuation date:

- * Contributions may be added to your accounts (see "Contributions")
- * Distributions you have received since the prior valuation date will be subtracted from your accounts
- * Plan expenses may be subtracted from your accounts
- * Interest and/or dividends, if any, will be added to your accounts

Also, current market values will be reflected in your accounts as of the valuation date. Depending on stock and/or bond market conditions, the value of your accounts may increase or decrease from one valuation date to the next.

How are my accounts invested?

You may direct the investment of all of your accounts. It is intended that your plan meet the requirements of ERISA section 404(c) by providing you with sufficient information for you to make informed investment choices. This information will be provided by the financial institutions managing the investment options. This means that you exercise control over the

investments in your plan account, and you can modify those investment choices as your needs change or as you otherwise see fit. This allows you to invest in the way that best meets your personal goals. Therefore, the plan fiduciaries may be relieved of liability for losses that your account may experience as a result of your investment elections.

Please note that the trustee is considered the owner of all the assets held in the trust. The trustee, as owner of the securities and other trust property, has the exclusive right to vote the stock in the trust and exercise any other rights of ownership. As a plan participant, you merely have a beneficial interest in the trust and may not exercise the rights of ownership, as can the trustee.

Does my plan offer life insurance as an investment?

No. Life insurance policies are not available as a plan investment.

May I take a loan from my accounts?

Your plan permits loans. See Appendix 1 - Loan Policy attached to this SPD.

Where can I learn about the plan expenses?

Reasonable administrative expenses of the plan and trust may be paid by the plan to the extent not paid by the employer. For more information on plan expenses, refer to your copy of the plan's expense policy, provided by the plan administrator.

DISTRIBUTIONS

Does my plan allow hardship distributions?

Hardship distributions of your pre-tax salary deferrals and Roth deferrals are permitted.

You may request a hardship distribution while employed for one of the following reasons:

- * **Medical Care** - Expenses for or necessary to obtain medical care for yourself, your spouse, dependents, or named primary beneficiaries.
- * **Principal Residence** - Costs directly related to the purchase of your principal residence (not including mortgage payments).
- * **Eviction and/or Foreclosure** - Payment to prevent eviction from your principal residence and/or foreclosure on the mortgage of your principal residence.
- * **Tuition** - Payment of tuition for the next 12 months of post secondary school education for yourself, your spouse, dependents, or named primary beneficiaries.
- * **Funeral Expenses** - Payments for burial or funeral expenses for your parents, spouse, children, dependents, or named primary beneficiaries.
- * **Principal Residence Repair** - Expenses for repair of damage to your principal residence that qualify for the casualty deduction (as defined in IRC 165, determined without regard to whether the loss exceeds 10% of adjusted gross income).

The hardship distribution cannot exceed the amount necessary to meet your financial hardship. The plan administrator may request proof that the amount requested does not exceed the financial hardship, including evidence that you have received all other available distributions and/or loan proceeds from this and other plans (including those of other employers).

If you receive a hardship distribution of salary deferrals, you will not be allowed to make salary deferrals to this plan or any other retirement plan maintained by the employer for six (6) months following the date of your hardship distribution.

Does the plan allow for in-service distributions?

An in-service distribution is one that you receive while you are employed by the employer sponsoring this plan. The primary purpose of the plan is to provide benefits to you upon your retirement; however, you may request an in-service distribution of all or a portion of some of your accounts as listed below:

Salary deferrals and other accounts subject to the age 59-1/2 restriction:

After you have reached age 59-1/2, and the amounts to be distributed have been allocated to your account for at least 2 years and you have been a participant for at least 5 years, you may request an in-service distribution from your pre-tax salary deferral and Roth deferral accounts.

Other Accounts:

You may receive an in-service distribution of your accounts other than those subject to the age 59-1/2 restrictions listed above under "Salary deferrals."

You may receive an in-service distribution of your accounts if you are 100% vested in all of your accounts and if all of the following conditions are met:

- * After you have reached age 59-1/2.
- * The amounts to be distributed have been allocated to your account for at least 2 years.
- * You have been a participant for at least 5 years.

You may also receive an in-service distribution of your accounts after you have reached normal retirement age.

Subject to the above condition(s), in-service distributions may be taken from your profit sharing account and matching account.

You may receive an in-service distribution of all or part of your rollover account at any time.

If you elect to take an in-service distribution, you may transfer all or a portion of it into a designated Roth rollover account within the Plan. You can only convert the distribution if it is eligible for rollover to another qualified plan. The conversion takes your pre-tax accounts and converts them to after-tax rollover accounts within the Plan. The rollover is treated as a taxable distribution. However, your Employer will not withhold any taxes for you. You must include the taxable portion of your distribution in your gross income in the year in which the in-plan Roth conversion was completed. Also, the 10% additional tax on early distributions will not apply.

Your after-tax accounts, if any, may not be converted into an in-plan Roth rollover account.

May I take a distribution of my Roth deferrals?

There are certain restrictions that apply to receiving a distribution from your Roth deferral account. If any deferral contribution designated as a Roth deferral is withdrawn prior to the five (5) taxable year period beginning with the taxable year in which the Roth account is first established or prior to age 59-1/2 your distribution will consist of a pro-rata share of Roth earnings and Roth deferral. The earnings will be included in your gross income. To avoid a tax on the earnings of Roth deferral accumulated amounts, the withdrawal must be made after the fifth taxable year that your Roth account is first established and after age 59-1/2 or on account of your death or disability.

What are my normal retirement benefits?

You will reach the plan's normal retirement age when you reach the later of age 65 or the fifth anniversary of your participation in the plan.

Your normal retirement date is the first day of the month coincident with or next following the date you reach normal retirement age.

At your normal retirement age, you will be fully vested in your employer contribution account.

When will I receive my normal retirement benefits?

Payment of your benefits will begin as soon as practicable following your retirement, based on your account value on the preceding valuation date.

When will my beneficiary receive my benefits if I die?

Payment of your benefits will begin as soon as practicable following your death, based on your account value on the preceding valuation date.

Does the plan have disability benefits?

You will be considered disabled if the Social Security Administration has determined that you are eligible to receive Social Security disability benefits. You will be considered disabled if you have begun to receive payments under a long term disability program or a comparable disability program maintained by your employer.

You become entitled to a distribution due to disability as of the date you terminate employment.

If it is determined you are entitled to a distribution due to disability, payment of your benefits will begin as soon as practicable following your termination based on your account value on the preceding valuation date.

What benefits will I receive upon termination?

If your employment is terminated for any reason other than those set out above, you will be entitled to that portion of your employer accounts in which you are vested.

"Vesting" refers to the percentage of your account balance you are entitled to at any point in time. For each year you remain a participant in the plan, you may become vested with a higher percentage of your employer account balance. See the "Vesting" section for more information.

Payment of your benefits will begin as soon as practicable following your termination of employment, based on your account value on the preceding valuation date.

How might divorce or a Qualified Domestic Relations Order affect my benefits?

Because your spouse has certain rights under your plan, you should immediately inform the plan administrator of any changes in your marital status.

In general, contributions made by you or your employer to this plan are not subject to alienation. This means they cannot be sold, used as collateral for a loan, given away or otherwise transferred. They are not subject to the claims of your creditors. However, they may be subject to claims under a Qualified Domestic Relations Order (QDRO).

A Domestic Relations Order is a court-issued decree or an order that allocates all or any portion of your plan benefits to your (former) spouse, your child, or other dependent. It is the plan administrator's responsibility to determine if a Domestic Relations Order is qualified (is a QDRO), as defined by law.

Distributions pursuant to a Qualified Domestic Relations Order are permitted on or after the date a Domestic Relations Order is determined to be a Qualified Domestic Relations Order, even if you are employed and have not attained the "earliest possible retirement age" (as defined below).

For QDRO purposes, the "earliest possible retirement age" means the earlier of these two dates:

1. the date you are entitled to a distribution; or
2. the later of:
 - A. the date you reach age 50; or
 - B. the earliest date you could begin receiving benefits under the plan if you separated from service.

Participants and beneficiaries can obtain, from the plan administrator, without charge, a copy of the plan's procedures governing Qualified Domestic Relations Orders.

How will I receive my distribution?

There is more than one option for benefit payment available to you in the plan. All of the options are "equal." The different options adjust your account balance distribution for the length of payout time and any payment that would continue to be paid to your spouse or beneficiaries after your death.

Your plan provides for a lump sum distribution.

Your distribution may be made in installment payments, paid over a certain number of years selected by you that is less than your life expectancy on an annual, quarterly or monthly basis. Under installment payments, your distribution will be payable as periodic payments over a set number of years or based on the life expectancy of your, and if selected your spouse's or beneficiary's, life expectancy.

Will the plan automatically distribute any of my benefit?

The plan will make a mandatory distribution if your account balance is \$5,000 or less. The distribution will be made as soon as administratively feasible.

If you do not provide payment instructions, the plan will automatically roll your distribution over to an IRA if your account balance is greater than \$1,000. The plan administrator will notify you if the automatic rollover provisions apply to your distribution. After receiving this notice, you will have an opportunity to decide whether you wish to receive your distribution directly in cash or roll it into an eligible retirement plan or IRA.

The automatic rollover will be invested in an investment product designed to preserve principal and provide a reasonable rate of return, whether or not such return is guaranteed, consistent with liquidity.

What is a Required Minimum Distribution?

Under certain circumstances, the law requires that your distributions begin no later than April 1 of the year following the date you reach age 70-1/2 (the date six months after your 70th birthday) if you are an owner of the company. All participants that still have a vested account balance after reaching 70-1/2 and are terminated are required to take these distributions. Your plan administrator will contact you if you are affected by this requirement.

How will my distributions be taxed?

The benefits you receive from the plan will be subject to ordinary income tax in the year in which you receive the payment, unless you defer taxation by a "rollover" of your distribution into another qualified plan or an IRA. Also, in certain situations, your tax may be reduced by special tax treatment such as "10-year forward averaging."

VERY IMPORTANT NOTE: Under most circumstances, if you receive a distribution from this plan, twenty percent (20%) of your distribution will be withheld for federal income tax purposes, unless you instruct the trustees of this plan to transfer your distribution DIRECTLY into another qualified plan or an IRA. You must give these instructions to the trustees no more than 180 days before the date you receive the payment. Also, the trustees must wait at least 30 days after receiving your instructions before making the payment, to allow you time to change your decision, unless you waive the waiting period in writing.

In addition to ordinary income tax, you may be subject to a 10% tax penalty if you receive a "premature" distribution. If you receive a distribution upon terminating employment before age 55 and you don't receive the payment as a life annuity, you will be subject to the 10% penalty unless you roll over your payment. If you take a hardship withdrawal before age 59-1/2, the withdrawal will usually be subject to the 10% penalty. But, there is no penalty for payments due to your death or disability.

As the rules concerning "rollovers" and the taxation of benefits are complex, please consult your tax advisor before making a withdrawal or requesting a distribution from the plan. As required by law, the plan administrator will provide you with a brief explanation of the rules concerning "rollovers."

Who may I name as my beneficiary?

The plan requires that your spouse be your primary beneficiary and receive 100% of your account balance on your death (see vesting section). You may name someone other than your spouse as your primary beneficiary only if your spouse gives written consent to your choice of beneficiary. A notary public or plan representative must witness your spouse's signature on the consent form.

You have a right to designate your primary and contingent beneficiary or beneficiaries at any time by completing a beneficiary form that is provided to you or is acceptable to the plan administrator. If you fail to designate a beneficiary, or if your beneficiary designation is not valid, or if all of your beneficiaries fail to survive you, then your benefits will be paid to your surviving spouse, or if none, to your surviving children in equal shares, or if none, to your other heirs or your estate, as the plan administrator selects.

If you get divorced, your ex-spouse will be treated as having predeceased you and your benefits will be paid to your contingent beneficiary unless you make a post-divorce designation naming your ex-spouse as a beneficiary.

OTHER IMPORTANT INFORMATION

Are my benefits protected?

Except for the requirements of a Qualified Domestic Relations Order, your plan benefits are not subject to claims, indebtedness, execution, garnishment or other similar legal or equitable process. Also, you cannot voluntarily (or involuntarily) assign your benefits under this plan.

Can the Plan be amended or terminated?

The employer has reserved the right to amend or terminate the plan. However, no amendment can take away any benefits you have already earned. If your plan is terminated, you will be entitled to the full amount in your account as of the date of termination, regardless of the percent you are vested at the time of termination.

Does Pension Benefit Guaranty Corporation Insurance apply to this plan?

The benefits provided by this plan are not insured by the Pension Benefit Guaranty Corporation (PBGC). Such insurance is only required under Title IV of the Employee Retirement Income Security Act (ERISA) for defined benefit pension plans.

What are the claims for benefits procedures under this plan?

When you request a distribution of all or any part of your account, you will contact the plan administrator who will provide you with the proper forms to make your claim for benefits. Your claim for benefits will be given a full and fair review. However, if your claim is denied, in whole or in part, the plan administrator will notify you of the denial within ninety (90) days of the date your claim for benefits was received, unless special circumstances delay the notification. If a delay occurs, you will be given a written notice of the reason for the delay and a date by which a final decision will be given (not more than one hundred and eighty (180) days after the receipt of your claim.)

There is an exception to the above rules if your claim is for disability benefits. The plan administrator shall notify you or your beneficiary within a reasonable period of time, but not later than forty-five (45) days after the date your claim was received. The plan administrator may extend this deadline by up to thirty (30) days if there are special circumstances beyond the control of the plan that require additional time to process the claim. If a delay occurs, you will be notified in writing before the end of the initial forty-five (45) day period.

If, prior to the end of the first thirty (30) day extension period, the plan administrator determines that, due to matters beyond the control of the plan, a decision cannot be made within that extension period, the period for making the determination may be extended for up to an additional thirty (30) days, provided that the plan administrator notifies you or your beneficiary, prior to the expiration of the first thirty (30) day extension period, of the circumstances requiring the extension and the date as of which the plan expects to render a decision.

In no event will the determination extend more than thirty (30) days beyond the end of the first deadline. Both notices of extension must contain (1) the standards on which the determination is being made, (2) the unresolved issues that prevent the Plan Administrator from making the decision, and (3) the additional information that would be needed to allow the Plan Administrator to make the decision. After receipt of an extension notice the Participant or Beneficiary will have one hundred and eighty (180) days to appeal such denial. Upon receipt of such appeal, the Plan Administrator must act within forty-five (45) days.

In addition, with respect to a claim for Disability benefits as described above, you must be provided, free of charge, any new or additional evidence or rationale obtained by the Plan during pendency of appeal. You will have the right to review and respond to the additional information. This information must include any new or additional evidence considered, relied upon, or generated by the Plan, insurer, or other person making the benefit determination in connection with the claim. This information must be provided as soon as possible and sufficiently in advance of the Plan's decision on appeal to give you a reasonable opportunity to respond.

In addition, with respect to a Disability claim, both the initial denial letter and any appeal denial letter must be provided in a culturally and linguistically appropriate manner and must specifically set forth the following information.

- * The specific basis for disagreeing with any determination by the Social Security Administration or other third party disability payer, or any views of health care professionals or vocational professionals treating a claimant,

regardless of whether the information was relied upon.

- * Reference(s) to the plan provision(s) on which the denial is based.
- * If the adverse determination is based on a medical necessity, experimental treatment, or similar exclusion or limit, either (1) an explanation of the scientific or clinical judgment for the determination, or (2) the denial letter must make a statement that such an explanation will be made available upon request at no charge.
- * All internal rules, guidelines, protocols, standards, or other similar criteria that were relied upon in denying the claim or a statement that such criteria do not exist.
- * A statement that you are entitled to receive, upon request and free of charge, relevant documents.

In the case of an appeal denial letter, the letter must describe any contractual limitation period for a lawsuit and the expiration date for that limitation period along with a statement that the limitation period may not expire before the conclusion of the Plan's internal appeals process.

If your address is in a county where at least 10% of the individuals in that population are literate only in the same non-English language (as determined by the United States Census Bureau), the notices must include a statement in the non-English language about the availability of language services. In addition, the Plan must provide a customer assistance process (such as a telephone hotline) with oral language services in the non-English language and provide written notices in that language upon request.

Failure of the Plan to adhere to the special requirements applicable to benefit determinations will result in you being deemed to have exhausted the Plan's administrative remedies, giving you the right to pursue court action. If the violation was de minimis; non-prejudicial; attributable to good cause or matters beyond the Plan's control; in the context of on-going good-faith exchange of information; and not reflective of a pattern or practice of non-compliance the Plan's administrative remedies will not be deemed exhausted and the stated procedure must be followed.

The administrative remedies available under the Plan with respect to claims for disability benefits will not be deemed exhausted based on de minimis violations that do not cause, and are not likely to cause, prejudice or harm to the claimant so long as the Plan demonstrates that the violation was for good cause or due to matters beyond the control of the Plan and that the violation occurred in the context of an ongoing, good faith exchange of information between you and the Plan.

You may request a written explanation of the violation from the Plan, and the Plan must provide such explanation within ten (10) days, including a specific description of its basis, if any, for asserting that the violation should not cause the administrative remedies available under the Plan to be deemed exhausted. If a court rejects your request for immediate review on the basis that the Plan met the standards that the violation was de minimis; non-prejudicial; attributable to good cause or matters beyond the Plan's control; the claim shall be considered as re-filed on appeal upon the Plan's receipt of the decision of the court. Within a reasonable time after the receipt of the decision, the Plan shall provide the claimant with notice of the resubmission.

If the Plan Administrator receives a notice of an appeal of the denial of a claim for benefit from a Participant or a Beneficiary, within the prescribed period of time, such notice and all relevant materials shall immediately be submitted to the Employer. The Employer may hold a hearing or otherwise ascertain such facts as it deems necessary and shall render a decision, which shall be binding upon both parties.

The decision of the Employer shall be made within sixty (60) days (forty-five (45) days for Disability claims) after the receipt by the Plan Administrator of the notice of appeal, unless special circumstances require an extension of time for processing, in which case a decision of the Employer shall be rendered as soon as possible but not later than one hundred twenty (120) days after receipt of the request for review. If such an extension of time is required, written notice of the extension shall be furnished to you prior to the commencement of the extension. The decision of the Employer shall be in writing, shall include specific reasons for the decision, written in a manner calculated that you will understand, as well as specific references to the pertinent Plan provisions on which the decision is based and shall be promptly furnished to you. Benefits under this Plan granted pursuant to such an appeal will be paid only if the Employer decides in his discretion that the applicant is entitled to them.

PARTICIPANT RIGHTS UNDER ERISA

As a participant in Office Solutions, Inc. 401(k) Savings Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA).

Receive information about your Plan and your benefits:

ERISA provides that all plan participants shall be entitled to:

- * Examine, without charge, at the plan administrator's office all documents governing the plan and a copy of the latest annual report filed by the plan with the U.S. Department of Labor.
- * Obtain copies of all plan documents and other plan information upon written request to the plan administrator (the administrator may make a reasonable charge for the copies).
- * Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.
- * Obtain a statement telling you whether you have a right to receive a benefit at normal retirement age and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once a year. The plan must provide the statement free of charge.

Actions by Plan Fiduciaries:

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries.

No one, including your employer may fire you or otherwise discriminate against you in any way to prevent you from obtaining a retirement benefit or exercising your rights under ERISA.

Enforcing your rights:

If your claim for a benefit is denied in whole or in part, you have the right to know why this was done and to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request written materials from the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator.

Assistance with your questions:

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in federal court.

If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have questions about your plan, you should contact the plan administrator. If you have any questions about this statement or your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

APPENDIX 1 - LOAN POLICY

Pursuant to the terms of Office Solutions, Inc. 401(k) Savings Plan (the "Plan"), the Plan Administrator has adopted a participant loan program as part of such Plan and Trust. All loans granted or renewed on or after the _____ day of _____, _____ will be made in accordance with the provisions specified in the Plan and under this Loan Policy. The Plan intends this loan program to comply with all applicable requirements of the Internal Revenue Code and the Department of Labor. Violating the terms of this Policy may cause a loan to be treated as a taxable distribution from the Plan.

Administration of Program.

Office Solutions, Inc. (the "Loan Administrator") is responsible for the administration of this loan program. All loan requests and other inquiries should be delivered to:

Office Solutions, Inc.
23303 La Palma Ave.
Yorba Linda, CA 92887-4773
(714) 692-7412

Application Procedure.

The Loan Administrator will make loan applications available to any individual who has a vested interest under the Plan.

An eligible individual, as defined within this Policy, may apply for a loan from the Plan by returning a completed loan application to the Loan Administrator.

To obtain a loan, the loan application must be submitted to the Loan Administrator at least 2 days before the date the loan is processed.

The Loan Administrator will review the loan application for completeness. Incomplete applications will be returned and must be resubmitted for consideration. All loan applicants must meet the requirements of this Policy for consideration and approval. If the loan applicant fails to meet the requirements of this Policy and receives a loan disbursement, the loan will be treated as a "deemed distribution" and reported as taxable to the IRS.

Basis for Approvals.

Loans are available to all actively employed participants, without regard to any individual's race, color, religion, sex, age or national origin.

Each application is reviewed on a nondiscriminatory basis. However, its approval will depend on the applicant's creditworthiness.

If an applicant defaulted on a previous loan, the loan application may be denied. In addition, if a participant submits a loan application at a time when a decision concerning a domestic relations order is pending or the Plan Administrator is on notice that divorce is in progress, the loan request will be placed on hold until the order is finalized or the determination period expires.

Once the loan is approved, a Promissory Note will be generated and issued to the applicant. The applicant must sign the Promissory Note to acknowledge and document receipt of the loan disbursement from the Plan and to affirm such applicant's obligation to make the required repayments.

Approved loan applications will be processed on going basis.

Terms of the Loan.

Subject to the limitations on the amount of any loan, a participant may request a loan for any purpose.

Loan Amounts.

The Loan Administrator will determine the available loan amount at the time the loan request is approved. The maximum amount of any loan is the lesser of 50% of the participant's vested interest minus any existing loan balance, or \$50,000 reduced by the participant's highest outstanding loan balance in the previous twelve months even if all or a portion of this amount has been repaid.

To calculate the maximum loan amount, the participant's vested interest in all plans established or maintained by the employer or a related employer of the employer will be considered. Notwithstanding, the Plan limits the minimum amount of any loan to \$1,000, the maximum amount of any loan to \$50,000 and the balance of all outstanding loans to a single participant to \$50,000.

An individual may have no more than 3 loans outstanding at any one time. Refinancing of an existing loan is not permitted.

Sources for a Loan - Accounts and Investment Options.

The participant will select, on a form provided by the Loan Administrator, the accounts and investment fund or funds from which the amount necessary to grant the loan will be taken.

The loan will be prorated across all available accounts and investment funds. However, the loan will not be taken from any insurance policies.

The loan will be established as a participant directed investment in the Plan. During the term of the loan, each scheduled principal and interest repayment will be made to this loan account until the entire loan is paid in full.

Interest Rate and Fees.

Interest will be charged on each loan. From time to time, the Loan Administrator will review the interest rate charged for loans, with the intention of providing the Plan with a return commensurate with the interest rates that a commercial lender would charge for loans made under similar circumstances. The interest rate for a loan will take into account the creditworthiness of the participant and the terms of the loan.

The interest rate on the loan will be based on the prime rate of interest published by Wall Street Journal as of the last day of the preceding month, plus 1 percent.

Once the interest rate is determined, the amount of the loan will be amortized according to the selected repayment terms. Each repayment will include both principal and interest until the loan is no longer outstanding in the Plan.

To cover the added administrative costs associated with processing and maintaining a loan under the Plan, the participant will be charged a \$150.00 loan processing fee.

Security for a Loan.

All loans must be adequately secured with at least fifty percent (50%) of the the participant's vested account balance in the Plan. The security interest will be determined and measured at the time the loan is granted. The participant must secure each loan with an irrevocable pledge and assignment of at least fifty percent (50%) of such participant's vested account balance under the Plan.

Repayment Terms.

With limited exceptions, the Internal Revenue Code requires a loan to be repaid through level installment payments at least quarterly, over a period not to exceed five (5) years.

Under this Loan Policy, a loan is required to be repaid within five (5) years, starting from the payment date outlined in the Promissory Note.

However, if the loan application is for a residential loan and the Loan Administrator confirms that there is sufficient documentation that the entire proceeds of the loan will be used to acquire a dwelling unit that will be used as the participant's principal residence, within a reasonable time, then this residential loan must be repaid within 15 years of the original date of the loan.

A principal residence is a house, apartment, condominium or mobile home (not used on a transient basis) established and used as the participant's principal dwelling unit.

Loans are to be repaid based on substantially level amortization over the term of the loan with payments made each pay period. Loan payments will be made through payroll deduction.

Special Provisions for Military Service.

The Loan Administrator may temporarily suspend loan repayments, if the participant is not actively employed due to a qualified military leave or because the participant is performing service in the uniformed services (as defined in chapter 43 of title 38 United States Code). In addition, the period of military suspension will extend the original loan term.

Once the military service has ended, loan repayments must resume. The loan must be repaid in full by the end of its original term plus the period of military service.

For example, if the loan was due in five (5) years, and the military leave was for eighteen (18) months, then the Loan Administrator would extend the five (5) year term by the length of the military leave. The final installment payment would be due within six (6) years and six (6) months of the date the loan was originally issued.

In addition, upon receipt of proper notice of active military service, if the interest rate for an outstanding loan exceeds six percent (6%), the Loan Administrator will reduce the interest rate on such loan to six percent (6%) during the period of military service.

Default.

A loan is in default when a scheduled installment payment has not been received by the scheduled due date. If the participant fails to arrange for the repayment of the missed payment, in a manner that is reasonably acceptable to the Loan Administrator, the remaining principal and accrued interest on the loan will be declared due and payable.

The missed payment must be received by the last day of the calendar quarter following the calendar quarter in which the scheduled installment payment was due. After this date, the Loan Administrator will notify the participant in writing that the loan is in default and that the outstanding loan (including accrued interest) will become taxable and treated as a "deemed distribution".

The defaulted loan (outstanding principal plus accrued interest) will be reported as taxable income on IRS Form 1099-R. It will be subject to federal and state income taxes, and a 10% additional tax on early distributions if the default occurs before age 59-1/2.

The participant is still under an obligation to the Plan to repay the loan. Therefore, the Promissory Note will remain outstanding. This outstanding loan obligation will not be offset against the participant's vested account balance until the participant severs employment with the employer sponsoring the loan program, retires, dies, or becomes disabled, and takes a final distribution, or until the participant reaches the earliest date on which an in-service distribution is permitted under the Plan.