



TERRA

STAFFING GROUP

July 31, 2009

Special Announcement re: Enrollment in TERRA's 401(k) Retirement Plan

TERRA Staffing Group is pleased to inform you of your eligibility to enroll in our 401(k) Retirement Plan effective August 30, 2009.

The 401(k) Plan allows you to set aside a portion of your salary in a tax-deferred account to save for your retirement.

To learn more about the 401(k) Plan, you may contact our Plan advisor Sarah Keibler at ClearPoint Financial, 206-962-2000 ext 147 or toll free at 800-410-6571. If you choose to participate in the Plan, Sarah will provide you the necessary forms and discuss your investment options with you.

Enclosed is the official 401(k) Plan Summary as required by the Internal Revenue Service and Department of Labor. Due to current economic conditions, TERRA is no longer offering matching contributions through a "Safe Harbor" plan. Please disregard references to Safe Harbor matching in the enclosed Plan Summary.

To your continued success,

Betty Neighbors
President

TERRA SERVICES COMPANIES 401(K) PLAN

SUMMARY OF PRINCIPAL PLAN PROVISIONS

EFFECTIVE DATE

April 1, 2007

AMENDMENT DATE

April 1, 2007

PLAN YEAR

The first year shall be a short plan year from April 1, 2007 to December 31, 2007. Thereafter, the plan year begins January 1 and ends December 31.

PLAN ELIGIBILITY AND ENTRY DATES

An employee will enter the Plan on the January 1 or July 1 upon completion of 1 Year of Service and attainment of age 21.

CONTRIBUTIONS

- A. Salary Deferral Contributions: Employees may elect to defer up to 75% of compensation, (not to exceed the maximum dollar limit) into the Plan.
- B. Safe Harbor Matching Contributions: The employer shall contribute a Safe Harbor matching contribution. The safe harbor match shall be \$1 for each \$1 of salary deferral on the first 3.0% of compensation deferred and then \$.50 for each \$1 of deferral on the next 2.0% of compensation deferred.
- C. Employer Profit Sharing Contribution: The employer may contribute between 0% and 25% of eligible compensation for any plan year. Contributions may vary depending on the overall profitability of the company during the year.

REQUIREMENTS FOR CONTRIBUTIONS

In general, any employee who was eligible at any time during the year will share in the allocation of the employer Safe Harbor Matching contributions made for the plan year. In order to be eligible to share in the allocation of the Profit Sharing contribution, an employee must have completed 500 hours of service or be employed on the last day of the plan year.

TERRA SERVICES COMPANIES 401(K) PLAN

SUMMARY OF PRINCIPAL PLAN PROVISIONS (Continued)

COMPENSATION

Compensation used for Plan purposes is total compensation paid to an employee during the plan year (not to exceed \$225,000 for the 2007 plan year). For a participant's first year, compensation is counted from their date of hire.

RETIREMENT

Normal Retirement Age is attainment of Age 65.

VESTING

Employee Salary Deferral and Employer Safe Harbor Matching accounts are always 100% vested. Any employer Profit Sharing accounts shall vest in accordance with the following schedule:

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

DISTRIBUTION POLICY

The employer will distribute a participant's vested account balance as soon as administratively feasible following the participant's termination of employment.

PRERETIREMENT DISTRIBUTIONS

Hardship distributions are not available to participants.

Participant loans are not permitted.

TOP-HEAVY PROVISIONS

- A. Definition: A plan is top-heavy if more than 60% of the account balances are held for Key Employees as defined in the Internal Revenue Code.
- B. Minimum Contribution: Each non-key participant shall be entitled to a contribution which is the lesser of 3% of his compensation or the same percentage of contribution made for key employees.
- C. Vesting Schedule: The current vesting schedule satisfies the Top-Heavy minimum requirements.

SUMMARY OF MATERIAL MODIFICATIONS

TERRA SERVICIES COMPANIES 401(K) PLAN

Effective January 1, 2009 Terra Services Companies will no longer provide a Safe Harbor Matching Contribution.

The employer still reserves the ability to make employer matching and profit sharing contributions to the Plan, however these contributions are discretionary and are not required to be made.

Please contact the Plan Administrator if you should have any questions.