

KOAM ENGINEERING SYSTEMS, INC. RETIREMENT SAVINGS PLAN

SAFE HARBOR NOTICE DEFAULT INVESTMENT NOTICE

The following information is intended to give you notice of certain provisions of the KOAM Engineering Systems, Inc. Retirement Savings Plan that will apply for the plan year beginning January 1, 2013. We are offering a safe harbor plan and we will make special Company contributions.

This notice gives you important information about some Plan rules, including the Company contributions. The notice covers these points:

- * What types of contributions you can make to the plan;
- * What amounts the Company will contribute to your Plan account;
- * How your Plan account will be invested;
- * When your Plan account will be vested (that is, not lost when you leave your job), and when you can get your Plan account; and
- * How you can change your contributions.

You can find out more about the Plan in another document, the Plan's Summary Plan Description (SPD). The SPD section "ELIGIBILITY FOR PARTICIPATION" provides detailed information about the Plan's eligibility rules for different contributions under the Plan.

What type of contributions may I contribute to the Plan?

You may elect to make contributions to the Plan known as elective deferrals.

Your elective deferrals may be made on a pre-tax basis or on an after-tax basis (Roth Contributions). You may elect to defer up to one hundred percent (100%) of your compensation. Please note that your deferrals are also limited by the annual IRS limit on elective deferrals to defined contribution plans (\$17,000 in 2012). However, if you are age 50 or over, you may defer an additional amount (up to \$5,500 in 2012).

You must designate on your election form how much you would like to contribute as a pre-tax contribution and how much you would like to contribute as an after-tax Roth Contribution. If certain requirements are met, a "qualified distribution" from your Roth Contribution account in the Plan will not be taxed. Please see the Summary Plan Description for more information.

The limits on the maximum amount you can contribute and the items that are considered "compensation" are described in the Summary Plan Description under the headings, "Elective Deferrals" and "Compensation", both found under the section "CONTRIBUTIONS TO THE PLAN".

In addition to the contributions taken out of my pay, what amounts will the Company contribute to my Plan account?

Besides contributing the amounts taken from your pay, the Company will make other contributions to your Plan account. Each eligible participant will receive a Safe Harbor Contribution to the plan equal to at least 3% of his or her compensation (Special 3% Contribution). An eligible participant includes each Employee who is eligible to make elective deferrals during the plan year. If you become a participant at any time other than the first day of the plan year, only compensation paid after that date is taken into account.

If you choose to contribute to the plan, the company may make matching contributions. The method for allocating any matching contributions is described in the Summary Plan Description under the heading "Matching Contributions".

The company may exercise its discretion to declare Profit-Sharing contributions. The method for allocating any additional contribution is described in the Summary Plan Description under the heading "Profit-Sharing Contributions" in the "CONTRIBUTIONS TO THE PLAN" section and eligibility for Profit-Sharing contributions is described under the same heading in the "ELIGIBILITY FOR PARTICIPATION" section.

How will my Plan account be invested?

The Plan lets you invest your account in a number of different investment funds. Unless you choose a different investment fund or funds, your Plan account will be invested as follows:

Oakmark Equity & Inc Fd II (KOEI)

You can change how your Plan account is invested, among the Plan's offered investment funds, by turning in a new Investment Election Form to the Plan Administrator at the address listed at the end of this notice.

Participants are allowed to elect out of the QDIA (the default investment) at any time.

To learn more about the Plan's investment funds and procedures for changing how your Plan account is invested please refer to the Investment Provider. Also, you can contact the Plan Administrator using the contact information at the end of this notice.

When will my Plan account be vested and available to me?

You will always be fully vested in your Special 3% Contribution, Elective Deferral, Rollover Contribution and Qualified Nonelective Contribution accounts in the Plan.

Your matching contributions and your interest in your Profit-Sharing Contribution Account will vest based on your years of vesting service in accordance with the following schedule:

Years of Vesting Service	Vesting Percentage
Less than Two Years	0%
Two Years but less than Three Years	20%
Three Years but less than Four Years	40%
Four Years but less than Five Years	60%
Five Years but less than Six Years	80%
Six or More Years	100%

To be fully vested in Plan contributions means that the contributions (together with any investment gain or loss) will always belong to you, and you will not lose them when you leave your job. For more information about years of service, you can review the "VESTING" section of the Plan's SPD.

Even if you are vested in your Plan account, there are limits on when you may withdraw your funds. These limits may be important to you in deciding how much, if any, to contribute to the Plan. Generally you may only withdraw vested money after you leave your job, reach age 55 (only the following accounts are eligible for withdrawal at age 55: Elective Deferral Account, Matching Contribution Account, Profit Sharing Contribution Account, Qualified Nonelective Contribution Account and Rollover Contribution Account - higher age limits may apply for some

accounts), or become disabled. Also, there may be an extra 10% tax on distributions before age 59-1/2. Your beneficiary can get any vested amount remaining in your account when you die.

You may be able to borrow certain amounts from your vested Plan account. The amount of the loan generally may not exceed the lesser of \$50,000 or 1/2 of your vested account balance.

You may be able to take out certain vested money if you have a hardship. Hardship distributions are limited to the dollar amount of your elective deferral contributions (earnings of elective deferrals may not be distributed for hardship withdrawals). They also may not be taken from Safe Harbor Contributions or special non-elective contributions. Hardship distributions must be for a specified reason – for qualifying medical expenses, costs of purchasing your principal residence (or preventing eviction from or foreclosure on your principal residence, or repairing qualifying damages to your principal residence), qualifying post-secondary education expenses, or qualifying burial or funeral expenses. Before you can take a hardship distribution, you must have taken other permitted withdrawals and loans from qualifying Company plans. If you take a hardship distribution, you may not contribute to the Plan or other qualifying Company plans for 6 months. Hardship distributions may be made for certain expenses of your primary beneficiary in addition to your dependents. These expenses include those for medical, tuition, and funeral expenses. A person is your "primary beneficiary" if that person is named as a beneficiary under the Plan and has an unconditional right to all or a portion of your Account Balance upon your death. Hardships may only be taken from the following accounts: Elective Deferral Account (except earnings on the Elective Deferral Account credited after the later of December 31, 1988, and the end of the last plan year ending before July 1, 1989), Matching Contribution Account, Profit Sharing Contribution Account and Rollover Contribution Account.

The following inservice distributions are also permitted:

After a Period Certain. If you have been a participant in the Plan for at least 5 plan years you are entitled to receive a distribution of the vested portion of your Matching Contribution Account and Profit Sharing Contribution Account regardless of the length of time the funds have accumulated. Because the plan is a safe harbor plan, you may not receive a distribution after a period certain from some of the special contributions described above.

Rollover Contribution Account. You may receive a distribution from your Rollover Contribution Account at any time.

Normal Retirement Age. At any time after reaching your normal retirement age but before actual retirement, you may elect to commence the distribution from your Upon the Participant attaining Normal Retirement Age, in-service withdrawals are permitted from all Accounts. if you provide the Plan Administrator with a written election to that effect.

You can learn more about the Plan's inservice withdrawal and loan rules in the "INSERVICE DISTRIBUTIONS AND LOANS" section of the Plan's SPD. You can also learn more about the extra 10% tax in IRS Publication 575, Pension and Annuity Income.

Can I change the amount of my contributions?

You may elect to start, increase, reduce or totally suspend your elections to contribute to the Plan effective as of each pay period.

The plan administrator may establish rules regarding the manner in which your elections are made. The rules may also require that certain advance notice be given of any election. Your election regarding elective deferrals is only effective for compensation you will receive in the future. Please contact the individual indicated below for information on making contributions to the Plan.

If you have any questions about how the Plan works or your rights and obligations under the Plan, or if you would like a copy of the Plan's SPD or other Plan documents, please contact the Plan Administrator at:

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