

Proposed  
Defined Benefit Plan  
FOR THE PLAN YEAR 01/01/2007 THROUGH 12/31/2007

FORMULA: BASE PERCENTAGE: 80.000%, EXCESS PERCENTAGE: 0.000%, FOR 25 YEARS OF SERVICE, ACCRUED PRO-RATA TO RETIREMENT  
ASSUMED RATES OF RETURN: PRE-RETIREMENT: 5.000%, POST-RETIREMENT: 5.000%

EMPLOYEE NAME	SOCIAL SECURITY NUMBER	SEX	DATE OF BIRTH	DATE OF HI RE	COMPENSATION	AGE	PS	TS	RA	PROJECTED		ACCRUED		CONTRIBUTION (COST OF INDIVIDUAL)	CONTRIB. AS % OF COMP.	CONTRIB. AS % OF TOTAL
										ANNUAL BENEFIT AT RET.	LUMP SUM AT RET.	ANNUAL BEN. AS OF EOY	PRESENT VALUE OF ACCD. BEN.			
Age 35 owner-1		M	07/01/72	01/01/02	225,000	35	5	33	62	180,000	2,571,426	18,000	72,319	47,036	20.90	94.36
Age 25 employee-01		M	07/01/82	01/01/06	25,000	25	1	39	62	20,000	285,713	1,026	2,570	2,811	11.24	5.64
TOTALS:					250,000								74,889	49,847		100.00

A 401(k) plan can be combined with the Defined Benefit plan for additional retirement savings. An employer-provided allocation of up to 6% can also be included. This 401(k) plan will not be subject to ADP testing, even if there are Non-Highly Compensated Employees, as long as they are given a 3% Safe-Harbor allocation.

EMPLOYEE NAME	DATE OF BIRTH	DATE OF HI RE	COMPENSATN	AGE	PS	TS	RA	DEFINED BENEFIT PLAN COST		PROFIT SHARING ALLOCATION		NON-ELECTIVE SAFE HARBOR ALLOCATION		401(k) ALLOCATION		CATCH UP 401(k) ALLOCATION		TOTAL EMPLOYEE ALLOCATION		
								AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT
Age 35 owner-1	M	07/01/72	01/01/02	225,000	35	5	33	62	47,036	20.90	6,750	3.00	6,750	3.00	15,500	6.89	0	0.00	76,036	33.79
Age 25 employee-01	M	07/01/82	01/01/06	25,000	25	1	39	62	2,811	11.24	750	3.00	750	3.00	0	0.00	0	0.00	4,311	17.24
TOTALS:				250,000					49,847		7,500		7,500		15,500		0		80,347	

404 Deductibility Limit is satisfied if Profit Sharing + Safe Harbor <= 6% of Covered Payroll:  
( 7,500 + 7,500 ) = 15,000 <= 15,000