

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

FORMULA: BASE PERCENTAGE: 123.077%, 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		PRESENT VALUE OF ACCD. BEN.	CONTRIBUTION (COST OF INDIVIDUAL)	CONTRI B. AS % OF COMP.	CONTRI B. AS % OF TOTAL
										ANNUAL BENEFIT AT RET.	LUMP SUM AT RET.	ANNUAL BEN. AS OF EOY	BEN. AS				
Age 55 owner-1		M	07/01/52	01/01/02	225,000	55	5	13	62	144,000	2,057,140	18,000	161,783	252,657	112.29	91.57	
Age 45 employee-01		M	07/01/62	01/01/06	45,000	45	1	19	62	42,092	601,318	4,431	28,997	23,270	51.71	8.43	
TOTALS:					270,000								190,780	275,927		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 55 owner-1	M	07/01/52	01/01/02	225,000	55	5	13	62	252,657	112.29	6,750	3.00	6,750	3.00	15,500	6.89	5,000	2.22	286,657	127.40
Age 45 employee-01	M	07/01/62	01/01/06	45,000	45	1	19	62	23,270	51.71	1,350	3.00	1,350	3.00	0	0.00	0	0.00	25,970	57.71
TOTALS:					270,000				275,927		8,100		8,100		15,500		5,000		312,627	

404 Deductibility Limit is satisfied if Profit Sharing + Safe Harbor <= 6% of Covered Payroll:  
 ( 8,100 + 8,100 ) = 16,200 <= 16,200