

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

FORMULA: BASE PERCENTAGE: 86.957%, 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)	CONTRIB. AS % OF COMP.	CONTRIB. AS % OF TOTAL
										ANNUAL BENEFIT AT RET.	LUMP SUM AT RET.	ANNUAL BEN. AS OF EOY	AS				
Age 45 owner-1		M	07/01/62	01/01/02	225,000	45	5	23	62	180,000	2,571,426	18,000	98,359	99,512	44.23	81.50	
Age 55 employee-01		M	07/01/52	01/01/06	55,000	55	1	11	65	21,044	284,056	3,826	33,292	22,583	41.06	18.50	
TOTALS:					280,000								131,651	122,095		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	%	
Age 45 owner-1	M	07/01/62	01/01/02	225,000	45	5	23	62	99,512	44.23	6,750	3.00	6,750	3.00	15,500	6.89	0	0.00	128,512	57.12
Age 55 employee-01	M	07/01/52	01/01/06	55,000	55	1	11	65	22,583	41.06	1,650	3.00	1,650	3.00	0	0.00	0	0.00	25,883	47.06
TOTALS:					280,000				122,095		8,400		8,400		15,500		0		154,395	

404 Deductibility Limit is satisfied if Profit Sharing + Safe Harbor <= 6% of Covered Payroll:  
( 8,400 + 8,400 ) = 16,800 <= 16,800