

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)	CONTRIB. AS % OF COMP.	CONTRIB. AS % OF TOTAL
										ANNUAL BENEFIT AT RET.	LUMP SUM AT RET.	ANNUAL BEN. AS OF EOY	OF EOY				
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	252,658	112.29	71.55	
Age 25 employee-01		M	07/01/82	01/01/06	25,000	25	1	39	62	25,000	357,142	1,578	3,954	3,514	14.06	1.00	
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	6.59	
Age 50 employee-01		M	07/01/57	01/01/06	50,000	50	1	14	62	34,462	492,308	4,923	41,121	30,930	61.86	8.76	
Age 55 employee-01		M	07/01/52	01/01/06	55,000	55	1	9	62	24,369	348,132	5,415	57,729	42,757	77.74	12.11	
TOTALS:					400,000								293,584	353,129		100.01	

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 ALLOCATI ON		401(k) ALLOCATI ON		CATCH UP 401(k) ALLOCATI ON		TOTAL EMPLOYEE ALLOCATI ON		
								AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT
Age 55 owner-1	M	07/01/52	01/01/02	225,000	55	5	13	62	252,658	112.29	6,750	3.00	6,750	3.00	15,500	6.89	5,000	2.22	286,658	127.40
Age 25 employee-01	M	07/01/82	01/01/06	25,000	25	1	39	62	3,514	14.06	750	3.00	750	3.00	0	0.00	0	0.00	5,014	20.06
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
Age 50 employee-01	M	07/01/57	01/01/06	50,000	50	1	14	62	30,930	61.86	1,500	3.00	1,500	3.00	0	0.00	0	0.00	33,930	67.86
Age 55 employee-01	M	07/01/52	01/01/06	55,000	55	1	9	62	42,757	77.74	1,650	3.00	1,650	3.00	0	0.00	0	0.00	46,057	83.74
TOTALS:				400,000					353,129		12,000		12,000		15,500		5,000		397,629	

404 Deductibility Limit is satisfied if Profit Sharing + Safe Harbor <= 6% of Covered Payroll:  
( 12,000 + 12,000 ) = 24,000 <= 24,000