

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		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	PRESENT VALUE OF ACCD. BEN.			
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