

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	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	252,658	112.29	73.04	
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	12.36	
Age 60 employee-01		M	07/01/47	01/01/06	60,000	60	1	7	65	20,677	279,107	5,908	65,607	50,511	84.19	14.60	
TOTALS:					340,000								285,119	345,926		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	SEX	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 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 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
Age 60 employee-01	M	07/01/47	01/01/06	60,000	60	1	7	65	50,511	84.19	1,800	3.00	1,800	3.00	0	0.00	0	0.00	54,111	90.19
TOTALS:					340,000				345,926		10,200		10,200		15,500		5,000		386,826	

404 Deductibility Limit is satisfied if Profit Sharing + Safe Harbor <= 6% of Covered Payroll:
(10,200 + 10,200) = 20,400 <= 20,400