

Plan Provisions

#1

Traditional Defined Benefit Pension Plan For the plan year 01/01/2014 through 12/31/2014

<u>Employer:</u>	Traditional Defined Benefit Pension Plan
Type of Entity -	C-Corporation
EIN: 45-1234567	TIN: Plan #: 002 Plan Type: Defined Benefit
<u>Dates:</u>	Effective - 01/01/2008 Year end - 12/31/2014 Valuation - 12/31/2014
	Top Heavy Years - 2008, 2009, 2010, 2011, 2012, 2013, 2014
<u>Eligibility:</u>	All employees excluding non-resident aliens, members of an excluded class and union
	Minimum age - 21 Months of service - 12
Hours Required for -	Eligibility - 1000 Benefit accrual - 1000 Vesting - 1000
Plan Entry -	First day of 1st or 7th month of plan year on or next following eligibility satisfaction
<u>Retirement:</u>	Normal - First of month coincident with or next following attainment of age 62 and completion of 5 years of participation
	Early - Not provided
<u>Average Compensation:</u>	Highest 3 consecutive years of participation
Top Heavy Minimum Benefit -	Highest 5 consecutive top heavy years of participation
<u>Plan Benefits:</u>	Retirement - Derived from the graded benefit formula below:
	Employee Classification Benefit Formula
	1 not less than 8% of average monthly compensation per year of participation
	2 not less than 0.5% of average monthly compensation per year of participation
Accrued Benefit -	Unit credit based on participation
	Minimum Benefit - None
	Maximum Benefit - None
	Maximum allowable distribution is lump sum equivalent of normal form not to exceed 415 maximum allowable distribution, which is the lesser amount computed using a) 5.5% interest and the Applicable Mortality Table or b) the greater of plan actuarial equivalence interest and mortality or 417(e) Minimum
Death Benefit -	Present Value of Accrued Benefit
<u>Top Heavy Minimum:</u>	Provided in another plan
<u>IRS Limitations:</u>	415 Limits - Percent: 100 Dollar: \$210,000
	Maximum 401(a)(17) compensation - \$260,000
<u>Normal Form:</u>	Life Annuity
<u>Optional Forms:</u>	Lump Sum
	Joint with 50%, 75% or 100% Survivor Benefit
<u>Vesting Schedule:</u>	Years Percent
	0-1 0%
	2 20%
	3 40%
	4 60%
	5 80%
	6 100%
	Service is calculated using all years of service except years prior to plan effective date

#1

Plan Provisions

#2

Traditional Defined Benefit Pension Plan For the plan year 01/01/2014 through 12/31/2014

Present Value of Accrued Benefit: Based on the greater of 417(e) or Actuarial Equivalence

417(e):

Interest Rates -

Segment #	Years	Rate %
Segment 1	0 - 5	1.25
Segment 2	6 - 20	4.57
Segment 3	> 20	5.60

Mortality Table - 14E - 2014 Applicable Mortality Table for 417(e) (unisex)

Actuarial Equivalence:

Pre-Retirement - Interest - 5%

Mortality Table - None

Post-Retirement - Interest - 5%

Mortality Table - G94 - 1994 Group Annuity Reserving Proj 2002, Scale AA (unisex)

#2

Actuarial Assumptions and Methods

Traditional Defined Benefit Pension Plan

For the plan year 01/01/2014 through 12/31/2014

Valuation Date: 12/31/2014

Funding Method: As prescribed in IRC Section 430
Age - Eligibility age at last birthday and other ages at nearest birthday

Retrospective Compensation - Highest 3 consecutive years of participation

Form of Payment - Assumed form of payment for funding is lump sum equivalent of normal form. Funding Target for lump sum is the greater of the present value of accrued benefit computed using funding segment rates and 417(e) Applicable Mortality Table or lump sum at the assumed retirement date of accrued benefit using plan actuarial equivalence discounted using appropriate segment rate. Lump sum on plan actuarial equivalence rates will not exceed 415 maximum allowable distribution, which is the lesser amount computed using a) 5.5% interest and the Applicable Mortality Table or b) the greater of plan actuarial equivalence interest and mortality or 417(e) Minimum

Interest Rates -

Segment rates for the Valuation Date as permitted under IRC 430(h)(2)(C)

Segment #	Year	Rate %
Segment 1	0 - 5	1.20
Segment 2	6 - 20	4.10
Segment 3	> 20	5.20

Segment rates as of September 30, 2013 As permitted under IRC 430(h)(2)(C)(iv)(II) - HATFA

Segment #	Year	Rate %
Segment 1	0 - 5	4.99
Segment 2	6 - 20	6.32
Segment 3	> 20	6.99

Pre-Retirement - Mortality Table - None
Turnover/Disability - None
Salary Scale - None
Expense Load - None
Ancillary Ben Load - None

Post-Retirement - Mortality Table - 14C - 2014 Funding Target - Combined - IRC 430(h)(3)(A)
Cost of Living - None
Lump Sum - G94 - 1994 Group Annuity Reserving Proj 2002, Scale AA (unisex) at 5%
or
14E - 2014 Applicable Mortality Table for 417(e) (unisex)

Asset Valuation Method: Fair market value of assets adjusted for contributions under IRC 430(g)(4)

Employee Census

#4

Traditional Defined Benefit Pension Plan

For the plan year 01/01/2014 through 12/31/2014

Valuation Date: 12/31/2014

Key	Percent Owner	- SVC -		Gender	— Ages —			_____ Dates _____				Compensation	Hours Worked	HCE	OEX	
		PS	FS		PA	AA	ARA	Birth	Hire	Part	Retire					
Tempe B.																
		7	5	F	50	57	62	01/01/58	01/01/00	01/01/08	01/01/20	\$260,000.00		*	Y	
Angela M.																
		7	33	F	22	29	62	01/01/86	01/01/07	01/01/08	01/01/48	\$42,000.00		*		
Total:											\$302,000.00					

	Count	Compensation
Active Fully Vested Benefits	2	\$302,000
Active Partially Vested Benefits	0	\$0
Active Without Vested Benefits	0	\$0
Terminated with Vested Benefits	0	\$0
Terminated without Vested Benefits	0	\$0
Terminated with Deferred Vested Benefits	0	\$0
Terminated - Paid Out	0	\$0
Currently Receiving Benefits	0	\$0
Inactives	0	\$0
Ineligibles	0	\$0

* Employee worked more than minimum hours required for service credit.

Key:	
AA=Attained Age	PA=Participation Age
FS=Future Service	PS=Past Service
HCE=Highly Compensated Employee	ARA=Assumed Retirement Age
OEX=Otherwise Excludable	

#4

Schedule of Benefits

#5

Traditional Defined Benefit Pension Plan For the plan year 01/01/2014 through 12/31/2014

	Current								
Beg Year Acc Ben Monthly Compensation	End Year Acc Ben Monthly Compensation	Monthly Benefit	Lump Sum @ Ret	Accrued Benefit	Vest Pct	Vested Accrued Benefit	Present Value of Vested Accrued Benefit	Death Benefit	
Tempe B.									
20,833.33	21,250.00	17,500.00	2,613,190	11,900.00	100	11,900.00	1,421,427	1,421,427	
Angela M.									
2,861.11	3,194.44	700.00	106,510	111.81	100	111.81	3,400	3,400	
Totals:	\$23,694.44	\$24,444.44	\$18,200.00	\$2,719,700	\$12,011.81	\$12,011.81	\$1,424,827		

#5

Present Value of Accrued Benefits

#6

Traditional Defined Benefit Pension Plan

For the plan year 01/01/2014 through 12/31/2014

Accrued Benefit	PVAB Based on Plan Assumptions	PVAB Based on 417(e) Assumptions	PVAB Based on IRC Section 415	Greater of Plan or 417(e) Assumptions as Limited by 415	Vested Percent	PVVAB
Tempe B.						
11,900.00	1,418,709	1,462,959	1,421,427	1,421,427	100	1,421,427
Angela M.						
111.81	3,400	2,740	348,920	3,400	100	3,400
Totals:	\$12,011.81	\$1,422,109	\$1,465,699	\$1,770,347	\$1,424,827	\$1,424,827

#6

Valuation Statement

#7

Traditional Defined Benefit Pension Plan

For the plan year 01/01/2014 through 12/31/2014

Valuation Date: 12/31/2014

	Accrued Benefit	Funding Target	Benefit Increase	Target Normal Cost
Tempe B.	10,000.00	1,120,000	1,900.00	212,800
Angela M.	85.83	1,405	25.98	425
Totals:	\$10,085.83	\$1,121,405	\$1,925.98	\$213,225

#7

Valuation Results

Traditional Defined Benefit Pension Plan
For the plan year 01/01/2014 through 12/31/2014
Valuation Date: 12/31/2014

<u>Rates For:</u>	<u>1st Segment</u>	<u>2nd Segment</u>	<u>3rd Segment</u>
IRC 430	4.99%	6.32%	6.99%
IRC 404	1.20%	4.10%	5.20%
Effective Interest Rate:	6.33%	Current Year Actual Rate of Return:	-5.00%
Prior Year Effective Interest Rate:	6.77%	Prior Year Actual Rate of Return:	4.00%

A. Valuation Results

1. Funding Target	1,121,405
Normal Retirement	1,121,405
2. Target Normal Cost	213,225
Normal Retirement	213,225
3. Assets	1,123,500
4. Undeducted Contributions	0
5. Funding Target as if At-Risk	1,194,802
6. Target Normal Cost as if At-Risk	227,307

B. Carryover and Prefunding Balances

	<u>a. Carryover</u>	<u>b. Prefunding</u>
1. Prior Year Balance	0	0
2. Balance Used to Offset Prior Year Funding Requirement	0	0
3. Amount Remaining (B1-B2)	0	0
4. Interest Using Prior Year Actual Rate of Return	0	0
5. Prior Year Excess Contribution	0	0
6. Interest at Prior Year Effective Rate	0	0
7. Total Available to Add to Prefunding Balance (B5+B6)	0	0
8. Portion of B7 to Add to Prefunding Balance	0	0
9. Reduction in Balance Due to Voluntary Election	0	0
10. Reduction in Balance Due to Deemed Election	0	0
11. Balance for Current Year (B3+B4+B8-B9-B10)	0	0
12. Balance Adjusted to Valuation Date	0	0

C. Funding Shortfall and Shortfall Amortization Charge

Early Deemed Amortization of Shortfall

1. Funding Target (A1)	1,121,405
2. Assets (A3)	1,123,500
3. Carryover Balance (B12a)	0
4. Prefunding Balance (B12b)	0
5. Applicable Assets (IRC 430(f)(4)(B)(i) (C2-C3-C4))	1,123,500
6. Funding Shortfall (IRC 430(c)(4) (C1-C5, not less than 0))	0
(if C6 is zero, all bases deemed to be fully amortized)	

Valuation Results

#9

Traditional Defined Benefit Pension Plan For the plan year 01/01/2014 through 12/31/2014 Valuation Date: 12/31/2014

C. Funding Shortfall and Shortfall Amortization Charge (cont'd)

Exemption from New Shortfall Amortization Base

7. Funding Target (A1)	1,121,405
8. Applicable Percentage (IRC 430(c)(5)(B)(ii))	100%
9. Reduced Funding Target (C7*C8)	1,121,405
10. Assets (A3)	1,123,500
11. Prefunding Balance (B12b if IRC 430(f)(3) election made)	0
12. Applicable Assets (IRC 430(f)(4)(A) (C10-C11))	1,123,500
13. Funding Shortfall (IRC 430(c)(5) (C9-C12, not less than 0)) (if C13 is zero, exempt from new shortfall base)	0

Funding Shortfall

14. Reduced Funding Target (C9)	1,121,405
15. Applicable Assets (IRC 430(f)(4)(B)(i) (C5))	1,123,500
16. Funding Shortfall (IRC 430(c)(3) (C14-C15, not less than 0))	0
17. Shortfall Amortization Charge (C25a)	0

Prior Year Amortization Installments

	a. Shortfall	b. 412(c) Waiver
18. Current Year	0	0
19. PV Prior Yrs Amort	0	
20. PV Prior Yrs Waiver	0	
21. Amortization Base	0	0
22. Amortization Factor	5.97518	4.50636
23. Amortization Installment	0	0
24. Prior Yr Installments	0	0
25. Amortization Charge	0	0

(Waiver Installment applies next year)

D. Minimum Required Contribution

1. Target Normal Cost (A2)	213,225
2. Funding Surplus (C5-A1, not less than 0)	2,095
3. Reduced Target Normal Cost (D1-D2, not less than 0)	211,130
4. Shortfall Amortization Charge (C17)	0
5. Waiver Amortization Charge	0
6. Minimum Contribution (D3+D4+D5)	211,130

E. Maximum Contribution

1. Funding Target	1,285,005
2. Target Normal Cost	214,504
3. 50% of the Funding Target	642,503
4. Increase in Funding Target Due to Salary Increases	51,853
5. Cushion Amount (E3+E4)	694,356
6. Total (E1+E2+E5)	2,193,865
7. Funding Target as if At-Risk	1,332,791
8. Target Normal Cost as if At-Risk	253,544
9. Total (E7+E8)	1,586,335
10. Greater of E6 and E9	2,193,865
11. Assets (A3)	1,123,500
12. Undeducted Contributions (A4)	0
13. Maximum Contribution (IRC 404(o) (E10-(E11-E12)))	1,070,365

#9

Maximum Contribution 404(o)

#10

Traditional Defined Benefit Pension Plan

For the plan year 01/01/2014 through 12/31/2014

Valuation Date: 12/31/2014

Maximum Contribution

1) Funding Target	1,285,005
2) Target Normal Cost	214,504
3) 50% of the Funding Target	642,503
4) Increase in Funding Target Due to Salary Increases	51,853
5) Cushion Amount (3+4)	694,356
6) Total (1+2+5)	2,193,865
7) Funding Target as if At-Risk	1,332,791
8) Target Normal Cost as if At-Risk	253,544
9) Total (7+8)	1,586,335
10) Greater of 6 and 9	2,193,865
11) Assets	1,123,500
12) Undeducted Contributions	0
13) Maximum Contribution (IRC 404(o) (10-(11-12)))	1,070,365

#10

**SCHEDULE SB
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2014

This Form is Open to Public Inspection

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Traditional Defined Benefit Pension Plan		B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Traditional Defined Benefit Pension Plan		D Employer Identification Number (EIN) 45-1234567	
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B		F Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500	

Part I Basic Information

1 Enter the valuation date: Month <u>12</u> Day <u>31</u> Year <u>2014</u>			
2 Assets:			
a Market value	2a	1,123,500	
b Actuarial value	2b	1,123,500	
3 Funding target/participant count breakdown:	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	0	0	0
b For terminated vested participants	0	0	0
c For active participants	2	1,121,405	1,121,405
d Total	2	1,121,405	1,121,405
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) <input type="checkbox"/>			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	6.33 %	
6 Target normal cost	6	213,225	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Signature of actuary	Date
	<u>Mary Ann Rocco</u>	<u>09/29/2015</u>
	Type or print name of actuary	Most recent enrollment number
	<u>Mary Ann Rocco, EA</u>	<u>(714) 393-8845</u>
Firm name	Telephone number (including area code)	
<u>419 Main St., #150</u>	<u>US Huntington Beach CA 92648</u>	
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2014 v.140124

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>4.00</u> %	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		0
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>0.00</u> %.....		0
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance .		0
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	0	0

Part III Funding Percentages			
14	Funding target attainment percentage	14	100.18 %
15	Adjusted funding target attainment percentage	15	99.00 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	100.00 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/15/2015	220,491				
Totals ▶			18(b)	220,491	18(c)
					0

19 Discounted employer contributions -- see instructions for small plan with a valuation date after the beginning of the year:			
a	Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b	Contributions made to avoid restrictions adjusted to valuation date	19b	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date ..	19c	211,130
20	Quarterly contributions and liquidity shortfalls:		
a	Did the plan have a "funding shortfall" for the prior year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b	If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
c	If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used To Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions)	<input checked="" type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute			

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	213,225	
b Excess assets, if applicable, but not greater than line 31a	31b	2,095	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	0		0
b Waiver amortization installment	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	211,130	
		Carryover balance	Prefunding Balance
35 Balances elected for use to offset funding requirement		0	0
36 Additional cash requirement (line 34 minus line 35)	36	211,130	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	211,130	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40		

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	<input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years		
b Eligible plan year(s) for which the election in line 41a was made	<input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 <input type="checkbox"/> 2012		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

**Administrator of the
Traditional Defined Benefit Pension Plan**

Washington, DC 20003

Certification of Adjusted Funding Target Attainment Percentage (AFTAP) for the 2015 Plan Year

The Pension Protection Act of 2006 (PPA) and Section 436 of the Internal Revenue Code require the calculation of a funding ratio called the Adjusted Funding Target Attainment Percentage (AFTAP) in order to determine whether the Plan is subject to new restrictions on plan amendments, lump sum distributions and benefit accruals.

Determination of AFTAP as of **December 31, 2014**

1.	Funding Target plus Target Normal Cost	\$1,347,976
2.	a. Market Value of Assets	\$1,123,500
	b. Discounted Receivable Contributions, Received by AFTAP Certification date using 6.33%	211,130
	c. Carryover Balance	0
	d. Carryover Balance Voluntary Reduction	0
	e. Carryover Balance Deemed Reduction to Avoid Restrictions	0
	e1. Deemed Reduction due to Presumed AFTAP at Beginning of Plan Year	0
	e2. Deemed Reduction due to Presumed AFTAP at Beginning of Fourth Month	0
	e3. Deemed Reduction at Certification of AFTAP	0
	f. Remaining Carryover Balance (2c - 2d - 2e)	0
	g. Prefunding Balance	0
	h. Portion of Excess Contribution to Add to Prefunding Balance	0
	i. Prefunding Balance Voluntary Reduction	0
	j. Prefunding Balance Deemed Reduction to Avoid Restrictions	0
	j1. Deemed Reduction due to Presumed AFTAP at Beginning of Plan Year	0
	j2. Deemed Reduction due to Presumed AFTAP at Beginning of Fourth Month	0
	j3. Deemed Reduction at Certification of AFTAP	0
	k. Remaining Prefunding Balance (2g + 2h - 2i - 2j)	0
3.	Funding Target Attainment Percentage (FTAP Exempt) (equals items (2a + 2b) divided by item 1)	99.00%
4.	Adjustment for Annuity Purchases for NHCE's during the last 2 years	\$0
5.	Adjusted Funding Target Attainment Percentage (AFTAP) (equals items (2a + 2b - 2f - 2k + 4) divided by items (1 + 4))	99.00%

Signature of Certifying Enrolled Actuary

Date

Enrollment Number

To the best of my knowledge, the information supplied in this certification is complete and accurate. I have relied on the asset, census, and plan provision information that has been provided by the Plan's third party administrator and/or Plan Administrator. Regulations for determining an AFTAP for a plan with an end of year valuation are not issued; however, this certification represents a good faith interpretation of the law.

ANNUAL FUNDING NOTICE

For
Traditonal DB Plan(Introduction

This notice includes important funding information about your pension plan (“the Plan”). This notice also provides a summary of federal rules governing the termination of single-employer defined benefit pension plans and of benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning 1/1/2014 and ending 12/31/2014 (“Plan Year”).

How Well Funded Is Your Plan

Under federal law, the plan must report how well it is funded by using a measure called the “funding target attainment percentage.” This percentage is obtained by dividing the Plan’s Net Plan Assets by Plan Liabilities on the Valuation Date for the plan year. In general, the higher the percentage, the better funded the plan. Your Plan’s funding target attainment percentage for the Plan Year and each of the two preceding plan years is shown in the chart below, along with a statement of the value of the Plan’s assets and liabilities for the same period.

	2014 Plan Year	2013 Plan Year	2012 Plan Year
1. Valuation Date	12/31/2014	12/31/2013	12/31/2012
2. Plan Assets			
a. Total Plan Assets	1,123,500	977,500	739,904
b. Funding Standard Carryover Balance	0	0	0
c. Prefunding Balance	0	0	0
d. Net Plan Assets (a) - (b) - (c) = (d)	1,123,500	977,500	739,904
3. Plan Liabilities	1,121,405	755,546	532,406
4. At-Risk Liabilities	Does Not Apply	Does Not Apply	Does Not Apply
5. Funding Target Attainment Percentage (2d)/(3)	100.19%	129.38%	138.97%

Plan Assets and Credit Balances

Total Plan Assets is the value of the Plan’s assets on the Valuation Date (see line 2 in the chart above). Credit balances were subtracted from Total Plan Assets to determine Net Plan Assets (line 2d) used in the calculation of the funding target attainment percentage shown in the chart above. While pension plans are permitted to maintain credit balances (also called “funding standard carryover balances” or “prefunding balances” see 2b & c in the chart above) for funding

purposes, they may not be taken into account when calculating a plan's funding target attainment percentage. A plan might have a credit balance, for example, if in a prior year an employer made contributions to the plan above the minimum level required by law. Generally, the excess contributions are counted as "credits" and may be applied in future years toward the minimum level of contributions a plan sponsor is required to make by law.

Plan Liabilities

Plan Liabilities shown in line 3 of the chart above are the liabilities used to determine the Plan's Funding Target Attainment Percentage. This figure is an estimate of the amount of assets the Plan needs on the Valuation Date to pay for promised benefits under the plan.

Year-End Assets and Liabilities

The asset values in the chart above are measured as of the valuation date for the Plan. As of 12/31/2014, the fair market value of the Plan's assets was \$1,334,630. On this same date, the Plan's liabilities were \$1,524,038 based on the PBGC interest rates in effect on the last day of the Plan Year. These liabilities were determined as required using PBGC assumptions, which are not the assumptions used for determining the Funding Target Attainment Percentages above.

Participant Information

The total number of participants in the plan as of the Plan's valuation date was 2. Of this number, 2 were active participants, 0 were retired or separated from service and receiving benefits, and 0 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for promised benefits. The funding policy of the Plan is to contribute on an annual basis no less than the amount required under Internal Revenue Code Section 430.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is:

"Since the principal purpose of the plan is to provide benefits at normal retirement age, the principal goal of the investment of the funds in the plan should be both security and long-term stability with moderate growth commensurate with the anticipated retirement dates of participants. Investments, other than "fixed dollar" investments, should be included among the plan's investments to prevent erosion by inflation. However, investments should be sufficiently liquid to enable the plan, on short notice, to make some distributions in the event of the death or disability of a participant."

In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Interest-bearing cash	10%
2. U.S. Government securities	
3. Corporate debt instruments (other than employer securities):	
Preferred	15%
All other	
4. Corporate stocks (other than employer securities):	
Preferred	
Common	15%
5. Partnership/joint venture interests	
6. Real estate (other than employer real property)	
7. Loans (other than to participants)	
8. Participant loans	
9. Value of interest in common/collective trusts	
10. Value of interest in pooled separate accounts	
11. Value of interest in registered investment companies (e.g., mutual funds)	60%
12. Value of funds held in insurance co. general account (unallocated contracts)	
13. Employer-related investments:	
Employer Securities	
Employer real property	
14. Buildings and other property used in plan operation	
15. Other:	

Events with Material Effect on Assets or Liabilities

Federal law requires the plan administrator to provide in this notice a written explanation of events, taking effect in the current plan year, which are expected to have a material effect on plan liabilities or assets. For the plan year beginning on 1/1/2015 and ending on 12/31/2015, the following events are expected to have such an effect: None.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. For 2009 and subsequent plan years, you may obtain an electronic copy of the plan's annual report by going to www.efast.dol.gov and using the Form 5500 search function. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. Individual information, such as the amount of your accrued benefit under the plan, is not contained in the annual report. If you are seeking information

regarding your benefits under the plan, contact the plan administrator identified below under “Where To Get More Information.”

Summary of Rules Governing Termination of Single-Employer Plans

Employers can end a pension plan through a process called “plan termination.” There are two ways an employer can terminate its pension plan. The employer can end the plan in a “standard termination” but only after showing the PBGC that the plan has enough money to pay all benefits owed to participants. The plan must either purchase an annuity from an insurance company (which will provide you with lifetime benefits when you retire) or, if your plan allows, issue one lump-sum payment that covers your entire benefit. Before purchasing your annuity, your plan administrator must give you advance notice that identifies the insurance company (or companies) that your employer may select to provide the annuity. The PBGC’s guarantee ends when your employer purchases your annuity or gives you the lump-sum payment.

If the plan is not fully-funded, the employer may apply for a distress termination if the employer is in financial distress. To do so, however, the employer must prove to a bankruptcy court or to the PBGC that the employer cannot remain in business unless the plan is terminated. If the application is granted, the PBGC will take over the plan as trustee and pay plan benefits, up to the legal limits, using plan assets and PBGC guarantee funds.

Under certain circumstances, the PBGC may take action on its own to end a pension plan. Most terminations initiated by the PBGC occur when the PBGC determines that plan termination is needed to protect the interests of plan participants or of the PBGC insurance program. The PBGC can do so if, for example, a plan does not have enough money to pay benefits currently due.

Benefit Payments Guaranteed by the PBGC

If a single-employer pension plan terminates without enough money to pay all benefits, the PBGC will take over the plan and pay pension benefits through its insurance program. Most participants and beneficiaries receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits that are not guaranteed.

The PBGC maximum benefit guarantee is set by law and is updated each calendar year. For a plan with a termination date or sponsor bankruptcy date, as applicable in 2014, the maximum guarantee is \$4,943.18 per month, or \$59,318.16 per year, for a benefit paid to a 65-year-old retiree with no survivor benefit. If a plan terminates during a plan sponsor’s bankruptcy, and the bankruptcy proceeding began on or after September 16, 2006, the maximum guarantee is fixed as of the calendar year in which the sponsor entered bankruptcy. The maximum benefit is lower for an individual who begins receiving benefits from the PBGC before age 65; the maximum guarantee by age can be found on the PBGC’s website, www.pbgc.gov. The guaranteed amount is also reduced if a benefit is provided to a survivor of a plan participant.

The PBGC guarantees “basic benefits” earned before a plan is terminated, which includes

- pension benefits at normal retirement age;
- most early retirement benefits;
- annuity benefits for survivors of plan participants; and
- disability benefits for a disability that occurred before the date the plan terminated.

The PBGC does not guarantee certain types of benefits

- The PBGC does not guarantee benefits for which you do not have a vested right when a plan terminates, usually because you have not worked enough years for the company.
- The PBGC does not guarantee benefits for which you have not met all age, service, or other requirements at the time the plan terminates.
- Benefit increases and new benefits that have been in place for less than one year are not guaranteed. Those that have been in place for less than five years are only partly guaranteed.
- Early retirement payments that are greater than payments at normal retirement age may not be guaranteed. For example, a supplemental benefit that stops when you become eligible for Social Security may not be guaranteed.
- Benefits other than pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay, are not guaranteed.
- The PBGC generally does not pay lump sums exceeding \$5,000.

Even if certain benefits are not guaranteed, participants and beneficiaries still may receive some of those benefits from the PBGC depending on how much money the terminated plan has and how much the PBGC collects from the employer.

Where to Get More Information

For more information about this notice, you may contact Traditional DB Plan, at 0 , 0, 0. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 45-1234567. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).