

2

INCOME TAX RETURNS

RICHARD SHOFER

1984

**DEFENDANT'S
EXHIBIT**

13

INTERNAL REVENUE SERVICE BALTIMORE, MD

18 Treasury Service (0)

Application for Automatic Extension of Time to File U.S. Individual Income Tax Return

OMB No. 1545-0188
1984
71

First name and initial (if joint return, also give spouse's name and initial) **Richard Shofer** Last name
Your social security number **219-28-1068**
Home address (Number and street, including apartment number, or rural route) **5006 Liberty Heights Ave**
Spouse's social security no.

Town or post office, State, and ZIP code **Baltimore Maryland**

Form with the Internal Revenue Service Center where you must file your income tax return and pay the amount shown on flow. This is not an extension of time for payment of tax. You will be charged a penalty for late payment of tax and late less you show reasonable cause for not paying or filing on time (see instructions).

File a gift tax return (Form 709 or Form 709-A) for 1984, generally due by April 15, 1985, check this box
Automatic 4-month extension of time to August 15, 1985, to file Form 1040A or Form 1040 for the calendar year 1984 (or if a 1040 to 19 for the tax year ending 19).

- Total income tax liability for 1984. (You may estimate this amount.)
Note: You must enter an amount on line 1. If you do not expect to owe tax, enter zero (0).
- Federal income tax withheld
- 1984 estimated tax payments (include 1983 overpayment allowed as a credit)
- Other payments and credits you expect to show on Form 1040A or Form 1040
- Add lines 2, 3, and 4
- Income tax balance due (subtract line 5 from line 1). Pay in full with this form. (If line 5 is more than line 1, enter zero (0).)
- Total gift tax you expect to owe for 1984 (see instructions)

1	18190 1640
2	
3	
4	
5	4640
6	13500 1040
7	

If you send only one check for both income and gift tax due, attach a statement showing how much of the check applies to each type of tax.

Signature and Verification

If Prepared by Taxpayer.—Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Your signature _____ Date _____

Spouse's signature (if filing jointly, BOTH must sign even if only one had income) _____ Date _____

If Prepared by Someone Other Than Taxpayer.—Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

Signature of preparer other than taxpayer _____, CPA Date **4/9/85**

For Paperwork Reduction Act Notice, see back of form.

Form 4868 (1984)

Receipt For Payment of Taxes
412
13500.00
13500.00
13500.00
04/15/85
5201

Receipt (When Property Valued)

APR 15 1985
DIST. CURR. MAIL
REG. WITH RMD CASHIER
RECEIVED

RICHARD SHOFER
5006 LIBERTY HEIGHTS AVENUE
BALTIMORE, MD 21207

4/15/ 19 85 1853

7-16/120

Pay to the order of Internal Revenue Service \$ 13,500
Thirteen Thousand Five Hundred Dollars

maryland national bank
WOODMOOR OFFICE 462
BALTIMORE, MARYLAND 21207

Memo 219-28-1068

Richard Shofer

• 0520001681: 1853 000 8538407 •

Form **1040** U.S. Individual Income Tax Return **1984** (0)

Department of the Treasury—Internal Revenue Service

For the year January 1-December 31, 1984, or other tax year beginning 1984, ending 19 OMB No. 1545-0074

Label. Other-wise, please print or type.	Your first name and initial (if joint return, also give spouse's name and initial)	Last name	Your social security number
	RICHARD	SHOFER	219 28 1068
	Present home address (Number and street, including apartment number, or rural route)	Spouse's social security number	
	216 ST. DUNSTANS RD.		
City, town or post office, State, and ZIP code		Your occupation	Spouse's occupation
BALTIMORE MD 21212		CORP. EXECUTIVE	

Presidential Election Campaign Do you want \$1 to go to this fund? Yes No
 If joint return, does your spouse want \$1 to go to this fund? Yes No
 Note: Checking "Yes" will not change your tax or reduce your refund.

Filing Status

1	<input type="checkbox"/>	Single
2	<input type="checkbox"/>	Married filing joint return (even if only one had income)
3	<input type="checkbox"/>	Married filing separate return. Enter spouse's social security no. above and full name here.
4	<input type="checkbox"/>	Head of household (with qualifying person). (See page 5 of Instructions.) If the qualifying person is your unmarried child but not your dependent, write child's name here.
5	<input checked="" type="checkbox"/>	Qualifying widow(er) with dependent child (Year spouse died ▶ 19). (See page 6 of Instructions.)

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Exemptions

6a Yourself 65 or over Blind

b Spouse 65 or over Blind

c First names of your dependent children who lived with you **ANDY, DAVID**

d Other dependents:

(1) Name	(2) Relationship	(3) Number of months lived in your home	(4) Did dependent have income of \$1,000 or more?	(5) Did you provide more than one-half of dependent's support?

Enter number of boxes checked on 6a and b ▶ **1**

Enter number of children listed on 6c ▶ **2**

Enter number of other dependents ▶ **3**

1 Control number

2 Employer's name, address, and ZIP code

Catalina Enterprises, Inc.
t/a Crown Motors
5006 Liberty Heights Avenue
Baltimore, Maryland 21207

3 Employer's identification number **92-0820445**

4 Employer's State number **187511-6**

5 Stat. employee Deceased Legal rep. 942 emp. Subtotal Void

6 Allocated tips

7 Advance EIC payment

8 Employee's social security number **219-28-1068**

9 Federal income **4640.00**

10 Wages, tips, other compensation **141,000.00**

11 Social security tax withheld **2412.00**

12 Employee's name, address, and ZIP code

Richard Shofer
216 St. Dunstans Rd.
Baltimore, Maryland 21212

13 Social security wages **137,800.00**

14 Social security tips

15

17 State income tax **450.00**

18 State wages, tips, etc. **141,000.**

19 Name of State **MD.**

20 Local income tax

21 Local wages, tips, etc.

22 Name of locality

Form W-2 Wage and Tax Statement 1984 To be filed with employee's State, City, or Local income tax return. Employee's and employer's copy compared.

22	Other income (state nature and source—see page 11 of Instructions)	22	
23	Add lines 7 through 22. This is your total income	23	139,769
24	Moving expense (attach Form 3903 or 3903F)	24	
25	Employee business expenses (attach Form 2106)	25	
26a	IRA deduction, from the worksheet on page 12	26a	
b	Enter here IRA payments you made in 1985 that are included in line 26a above		
27	Payments to a Keogh (H.R. 10) retirement plan	27	
28	Penalty on early withdrawal of savings	28	
29	Alimony paid	29	
30	Deduction for a married couple when both work (attach Schedule W)	30	
31	Add lines 24 through 30. These are your total adjustments	31	
Adjusted Gross Income	32 Subtract line 31 from line 23. This is your adjusted gross income. If this line is less than \$10,000, see "Earned Income Credit" (line 59) on page 16 of Instructions. If you want IRS to figure your tax, see page 12 of Instructions.	32	139,769

Tax Computation

(See instructions on page 13.)

33 Amount from line 32 (adjusted gross income).

34a If you itemize, attach Schedule A (Form 1040) and enter the amount from Schedule A, line 26. **Caution:** If you have unearned income and can be claimed as a dependent on your parent's return, check here and see page 13 of the Instructions. Also see page 13 if:
 • You are married filing a separate return and your spouse itemizes deductions, OR
 • You file Form 4563, OR • You are a dual-status alien.

34b If you do not itemize deductions, and you have charitable contributions, complete the worksheet on page 14. Then enter the allowable part of your contributions here

35 Subtract line 34a or 34b, whichever applies, from line 33

36 Multiply \$1,000 by the total number of exemptions claimed on Form 1040, line 6e

37 Taxable Income. Subtract line 36 from line 35.

38 Tax. Enter tax here and check if from: Tax Table, Tax Rate Schedule X, Y, or Z, or Schedule G

39 Additional Taxes. (See page 14 of Instructions.) Enter here and check if from: Form 4970, Form 4972, or Form 5544

40 Add lines 38 and 39. Enter the total

33	139,769
34a	77,745
34b	
35	62,024
36	3,000
37	59,024
38	13,193
39	
40	13,193

Credits

(See instructions on page 14.)

41 Credit for child and dependent care expenses (attach Form 2441)

42 Credit for the elderly and the permanently and totally disabled (attach Schedule R)

43 Residential energy credit (attach Form 5695)

44 Partial credit for political contributions for which you have receipts

45 Add lines 41 through 44. These are your total personal credits

46 Subtract line 45 from 40. Enter the result (but not less than zero)

47 Foreign tax credit (attach Form 1116)

48 General business credit. Check if from: Form 3800, Form 3468, Form 5884, Form 6478

49 Add lines 47 and 48. These are your total business and other credits

50 Subtract line 49 from 46. Enter the result (but not less than zero)

41	
42	
43	
44	
45	
46	13,193
47	
48	
49	
50	13,193

Other Taxes

(Including Advance EIC Payments)

51 Self-employment tax (attach Schedule SE)

52 Alternative minimum tax (attach Form 6251)

53 Tax from recapture of investment credit (attach Form 4255)

54 Social security tax on tip income not reported to employer (attach Form 4137)

55 Tax on an IRA (attach Form 5329)

56 Add lines 50 through 55. This is your total tax

51	
52	3,756
53	
54	
55	
56	16,949

Payments

Attach Forms W-2, W-2G, and W-2P to front.

57 Federal income tax withheld

58 1984 estimated tax payments and amount applied from 1983 return

59 Earned income credit. If line 33 is under \$10,000, see page 16

60 Amount paid with Form 4868

61 Excess social security tax and RRTA tax withheld (two or more employers)

62 Credit for Federal tax on gasoline and special fuels (attach Form 4136)

63 Regulated Investment Company credit (attach Form 2439)

64 Add lines 57 through 63. These are your total payments

57	4,640
58	
59	
60	13,500
61	
62	
63	
64	18,140

Refund or Amount You Owe

65 If line 64 is larger than line 56, enter amount OVERPAID

66 Amount of line 65 to be REFUNDED TO YOU

67 Amount of line 65 to be applied to your 1985 estimated tax

68 If line 56 is larger than line 64, enter AMOUNT YOU OWE. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number and "1984 Form 1040" on it. (Check if Form 2210 (2210F) is attached. See page 17 of Instructions.)

65	1,191
66	1,191
67	
68	

Please Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature: _____ Date: 8/7/85

Spouse's signature (if filing jointly, BOTH must sign): _____

Paid Preparer's Use Only

Preparer's signature: _____ Date: 8/7/85

Firm's name (or yours, if self-employed) and address: GRABUSH, NEWMAN & CO., P.A.; CPAs

Check if self-employed: Preparer's social security no.: 219 26 8337

E.I. No. _____ ZIP code _____

SCHEDULES A&B
Form 1040)

Department of the Treasury
Internal Revenue Service (O)

Schedule A—Itemized Deductions

(Schedule B is on back)

▶ Attach to Form 1040. ▶ See instructions for Schedules A and B (Form 1040).

OMB No 1545-0074

1984
07

(s) as shown on Form 1040

Your social security number

219 28 1068

RICHARD SHOEFER

Medical and Dental Expenses (Do not include expenses reimbursed or paid by others.) (See instructions on page 19)	1	Prescription medicines and drugs; and insulin	1			
	2	a Doctors, dentists, nurses, hospitals, insurance premiums you paid for medical and dental care, etc.	2a	10,217		
		b Transportation and lodging	2b			
		c Other (list—include hearing aids, dentures, eyeglasses, etc.)	2c			
	3	Add lines 1 through 2c, and write the total here	3	10,217		
	4	Multiply the amount on Form 1040, line 33, by 5% (.05)	4	6,988		
	5	Subtract line 4 from line 3. If zero or less, write -0-. Total medical and dental	5		3,229	
Taxes You Paid (See instructions on page 20)	6	State and local income taxes	6	1,792		
	7	Real estate taxes	7	6,273		
	8	a General sales tax (see sales tax tables in instruction booklet)	8a	1,285		
		b General sales tax on motor vehicles	8b			
	9	Other taxes (list—include personal property taxes)	9			
	10	Add the amounts on lines 6 through 9. Write the total here. Total taxes	10		9,350	
Interest You Paid (See instructions on page 20)	11	a Home mortgage interest you paid to financial institutions	11a	21,345		
		b Home mortgage interest you paid to individuals (show that person's name and address)	11b			
	12	Total credit card and charge account interest you paid	12	311		
	13	Other interest you paid (list) ▶ POINTS-HOME MTS. \$3,264; GA. RENT \$120; CATALINA PENS. PLAN \$12,750; GERRI SHOEFER \$2,599; PROPERTY TAXES PAID LATE \$64; FROM FORM 4952 \$26,376.	13	45,173		
	14	Add the amounts on lines 11a through 13. Write the total here. Total interest	14		66,829	
Contributions You Made (See instructions on page 20)	15	a Cash contributions. (If you gave \$3,000 or more to any one organization, report those contributions on line 15b.)	15a	415		
		b Cash contributions totaling \$3,000 or more to any one organization. (Show to whom you gave and how much you gave.)	15b			
	16	Other than cash (attach required statement)	16			
	17	Carryover from prior year	17			
	18	Add the amounts on lines 15a through 17. Write the total here. Total contributions	18		415	
Casualty and Theft Losses	19	Total casualty or theft loss(es). (You must attach Form 4684 or similar statement.) (see page 21 of Instructions)	19			
Miscellaneous Deductions (See instructions on page 21)	20	Union and professional dues	20			
	21	Tax return preparation fee	21			
	22	Other (list type and amount) ▶ BUS. PUBLICATIONS \$222	22	222		
	23	Add the amounts on lines 20 through 22. Write the total here. Total miscellaneous	23		222	
Summary of Itemized Deductions (See instructions on page 22)	24	Add the amounts on lines 5, 10, 14, 18, 19, and 23. Write your answer here.	24		80,045	
	25	If you checked Form 1040 { Filing Status box 2 or 5, write \$3,400 } { Filing Status box 1 or 4, write \$2,300 } { Filing Status box 3, write \$1,700 }	25		2,300	
	26	Subtract line 25 from line 24. Write your answer here and on Form 1040, line 34a. (If line 25 is more than line 24, see the instructions for line 26 on page 22.)	26		77,745	

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side.)

Your social security number

RICHARD SHOFER

219 28 1068

**Part I
Interest
Income**

If you received more than \$400 in interest income, you must complete Part I and list ALL interest received. If you received interest as a nominee for another, or you received or paid accrued interest on securities transferred between interest payment dates, or you received any interest from an All-Savers Certificate, see page 22.

(See instructions on pages 8 and 22)

Also complete Part III.

Interest income		Amount
1	Interest income from seller-financed mortgages. (See Instructions and show name of payer.) ▶	
2	Other interest income (list name of payer) ▶ <i>ITEL CORP.</i> <i>YORKRIDGE-CALVERT</i>	1,868 102
3	Add the amounts on lines 1 and 2. Write the total here and on Form 1040, line 8 ▶	1,970

**Part II
Dividend
Income**

If you received more than \$400 in gross dividends (including capital gain distributions) and other distributions on stock, or you are electing to exclude qualified reinvested dividends from a public utility, complete Part II. If you received dividends as a nominee for another, see page 22. *N/A*

(See instructions on pages 8 and 22)

Also complete Part III.

Name of payer		Amount
4	
5	Add the amounts on line 4. Write the total here	
6	Capital gain distributions. Enter here and on line 15, Schedule D.*	
7	Nontaxable distributions. (See Schedule D Instructions for adjustment to basis.)	
8	Exclusion of qualified reinvested dividends from a public utility. (See page 23 of Instructions.)	
9	Add the amounts on lines 6, 7, and 8. Write the total here.	
10	Subtract line 9 from line 5. Write the result here and on Form 1040, line 9a ▶	

*If you received capital gain distributions for the year and you do not need Schedule D to report any other gains or losses, do not file that schedule. Instead, enter 40% of your capital gain distributions on Form 1040, line 14.

**Part III
Foreign
Accounts
and
Foreign
Trusts**

(See instructions on page 23)

If you received more than \$400 of interest or dividends, OR if you had a foreign account or were a grantor of, or a transferor to, a foreign trust, you must answer both questions in Part III.		Yes	No
11	At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country? (See page 23 of the Instructions for exceptions and filing requirements for Form TD F 90-22.1.) If "Yes," write the name of the foreign country ▶		✓
12	Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? If "Yes," you may have to file Forms 3520, 3520-A, or 926.		✓

SCHEDULE D

(Form 1040)

Department of the Treasury
Internal Revenue Service (O)

Capital Gains and Losses

(Also reconciliation of sales of stocks, bonds, and bartering income from Forms 1099-B)

▶ Attach to Form 1040. ▶ See instructions for Schedule D (Form 1040).

OMB No. 1545-0074

1984

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(S) as shown on Form 1040

Your social security number

RICHARD SHOFER

219 28 1068

I Short-term Capital Gains and Losses-Assets Held One Year or Less (6 months if acquired after 6/22/84)

Table with 7 columns: Description of property, Date acquired, Date sold, Gross sales price, Cost or other basis, LOSS, GAIN. Includes rows for short-term gain from sale of principal residence, installment sales, and net short-term gain/loss.

II Long-term Capital Gains and Losses-Assets Held More Than One Year (6 months if acquired after 6/22/84)

Table with 7 columns: Description of property, Date acquired, Date sold, Gross sales price, Cost or other basis, LOSS, GAIN. Includes rows for long-term gain from sale of principal residence, lawsuit settlement, and net long-term gain/loss.

Note: Complete the back of this form. However, if you have capital loss carryovers from years beginning before 1970, do not complete Parts III or IV. See Form 4798 instead.

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side)

Your social security number

RICHARD SHOFER

219 28 1068

Part III Summary of Parts I and II

Table with 2 columns: Description and Amount. Rows 20-25. Row 20: (84,399). Row 24: (42,199). Row 25: (3,000).

Part IV Computation of Post-1969 Capital Loss Carryovers from 1984 to 1985

(Complete this part if the loss on line 24 is more than the loss on line 25)

Table with 2 columns: Description and Amount. Rows 26-36. Row 26: -0-. Row 31: (3,000). Row 32: (84,399). Row 34: (84,399). Row 35: (6,000). Row 36: (78,399).

Part V Complete this Part Only if You Elect Out of the Installment Method and Report a Note or Other Obligation at Less Than Full Face Value N/A

Check here if you elect out of the installment method. Enter the face amount of the note or other obligation. Enter the percentage of valuation of the note or other obligation.

Part VI Reconciliation of Forms 1099-B With Tax Return (Complete this part if you received one or more Forms 1099-B or equivalent statement reporting sales of stock, bonds, etc. or bartering income.) N/A

SECTION A.—Reconciliation of Sales of Stocks, Bonds, etc.

Table with 2 columns: Description and Amount. Rows 37-41. Row 37: Total sales of stock, bonds, etc. from Forms 1099-B or equivalent statement received from your brokers.

Note: The amount on line 41 should be the same as the total of all amounts on page 1, lines 1 and 9 of column d.

SECTION B.—Reconciliation of Bartering Income Indicate below the amount of bartering income reported on each form or schedule

Table with 2 columns: Description and Amount. Rows 42-48. Row 42: Form 1040, line 22. Row 48: Total (add lines 42 through 47).

Note: The amount on line 48 should be the same as the total bartering on all Forms 1099-B or equivalent statements received.

SCHEDULE E

(Form 1040)

Department of the Treasury
Internal Revenue Service (01)

Supplemental Income Schedule

(From rents and royalties, partnerships, estates, and trusts, etc.)

▶ Attach to Form 1040. ▶ See Instructions for Schedule E (Form 1040).

OMB No 1545-0074

1984

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Name(s) as shown on Form 1040

RICHARD SHOFER

Your social security number

219 28 1068

Part I Rent and Royalty Income or Loss

1 Did you or a member of your family use for personal purposes any rental property listed below for more than the greater of 14 days or 10% of the total days rented at fair rental value during the tax year? Yes No

2 Description of Properties (Show kind and location for each)

Property A GAS STATION, 5000 LIBERTY RD.

Property B

Property C

Rental and Royalty Income	Properties			Totals (Add columns A, B, and C)
	A	B	C	
3 a Rents received	2,592			3 2,592
b Royalties received				
Rental and Royalty Expenses				
4 Advertising				
5 Auto and travel				
6 Cleaning and maintenance				
7 Commissions				
8 Insurance				
9 Interest				
10 Legal and other professional fees				
11 Repairs				
12 Supplies				
13 Taxes (Do not include Windfall Profit Tax here. See Part III, line 37.)	1,207			
14 Utilities				
15 Wages and salaries				
16 Other (list) ▶				
17 Total expenses other than depreciation and depletion. Add lines 4 through 16	1,207			17 1,207
18 Depreciation expense (see Instructions), or depletion	1,586			18 1,586
19 Total. Add lines 17 and 18	2,793			
20 Income or (loss) from rental or royalty properties. Subtract line 19 from line 3a (rents) or 3b (royalties)	(201)			
21 Add properties with profits on line 20, and write the total profits here				21
22 Add properties with losses on line 20, and write the total (losses) here				22 (201)
23 Combine amounts on lines 21 and 22, and write the net profit or (loss) here				23 (201)
24 Net farm rental profit or (loss) from Form 4835, line 49				24
25 Total rental or royalty income or (loss). Combine amounts on lines 23 and 24, and write the total here. If Parts II, III, and IV on page 2 do not apply to you, write the amount from line 25 on Form 1040, line 18. Otherwise, include the amount in line 39 on page 2 of Schedule E.				25 (201)

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side)

Your social security number

Part II Income or Losses from Partnerships, Estates or Trusts, or S Corporations

If you report a loss below, and have amounts invested in that activity for which you are not at risk, you may have to file Form 6198. See instructions.

	(a) Name	(b) Check if foreign partnership	(c) Employer identification number	(d) Net loss (see instructions for at-risk limitations)	(e) Net income
Partnerships					
	26 Add amounts in columns (d) and (e) and write the total(s) here			26 ()	
	27 Combine amounts in columns (d) and (e), line 26, and write the net income or (loss) here			27	
	28 Deduction for section 179 property (from Form 1065, Schedule K-1). (See instructions for limitations.)			28 ()	
	29 Total partnership income or (loss). Combine amounts on lines 27 and 28. Write the total here and include in line 39 below			29	
Estates or Trusts					
	30 Add amounts in columns (d) and (e) and write the total(s) here			30 ()	
	31 Total estate or trust income or (loss). Combine amounts in columns (d) and (e), line 30. Write the total here and include in line 39 below			31	
S Corporations					
	32 Add amounts in columns (d) and (e) and write the total(s) here			32 ()	
	33 Combine amounts in columns (d) and (e), line 32, and write the net income or (loss) here			33	
	34 Deduction for section 179 property (from Form 1120S, Schedule K-1). (See instructions for limitations.)			34 ()	
	35 Total S corporation income or (loss). Combine amounts on lines 33 and 34. Write the total here and include in line 39 below			35	

Part III Windfall Profit Tax Summary

36	Windfall profit tax credit or refund received in 1984 (see instructions)	36	
37	Windfall profit tax withheld in 1984 (see instructions)	37 ()	
38	Combine amounts on lines 36 and 37. Write the total here and include in line 39 below	38	

Part IV Summary

39	TOTAL income or (loss). Combine lines 25, 29, 31, 35, and 38. Write total here and on Form 1040, line 18 ▶	39	
40	Farmers and fishermen: Write your share of GROSS FARMING AND FISHING INCOME applicable to Parts I and II	40	

Part V Depreciation Claimed in Part I. — Complete only if property was placed in service before January 1, 1981. For more space, use a separate sheet. If you placed any property in service after December 31, 1980, use Form 4562 for all property; do NOT complete Part V.

	(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in prior years	(e) Depreciation method	(f) Life or rate	(g) Depreciation for this year
Property A	BUILDING	10-1-78	23,787	8,325	S.L.	15 YR.	1,586
	LAND	✓	10,194				
	Totals (Property A)						1,586
Property B							
	Totals (Property B)						
Property C							
	Totals (Property C)						

Schedule G
Form 1040

Income Averaging

OMB No. 1545-0074

1984

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Department of the Treasury
Internal Revenue Service (01)

▶ See instructions on back. ▶ Attach to Form 1040.

Name(s) as shown on Form 1040

RICHARD SHOEFER

Your social security number

219 28 1068

Step 1 Add your income from 1981—1983

981	1	Fill in the amount from your 1981 Form 1040 (line 34) or Form 1040A (line 12). If less than zero, enter zero	1	4,811
982	2	Fill in the amount from your 1982 Form 1040 (line 37), Form 1040A (line 16), or Form 1040EZ (line 7). If less than zero, enter zero	2	10,967
983	3	Fill in the amount from your 1983 Form 1040 (line 37), Form 1040A (line 19), or Form 1040EZ (line 7). If less than zero, enter zero	3	24,467
Total	4	Fill in all income less deductions earned outside of the U.S. or within U.S. possessions and excluded for 1981 through 1983 (include housing exclusion in 1982 and 1983)	4	
	5	Add lines 1 through 4	5	40,245

Step 2 Figure your averageable income

6	6	Divide the amount on line 5 by three (3)	6	13,415
7	7	Multiply the amount on line 6 by 140% (1.4)	7	18,781
8	8	Fill in your taxable income for 1984 from Form 1040, line 37.	8	59,024
9	9	If you received a premature or excessive distribution subject to a penalty under section 72, see instructions	9	
10	10	Subtract line 9 from line 8.	10	59,024
11	11	If you live in a community property state and are filing a separate return, see instructions.	11	
12	12	Subtract line 11 from line 10. If less than zero, enter zero	12	59,024
13	13	Write in the amount from line 7 above.	13	18,781
14	14	Subtract line 13 from line 12. This is your averageable income. If this line is \$3,000 or less, do not complete the rest of this form	14	40,243

Step 3 Figure your tax

15	15	Multiply the amount on line 14 by 25% (.25)	15	10,061
16	16	Write in the amount from line 7 above.	16	18,781
17	17	Add lines 15 and 16	17	28,842
18	18	Write in the amount from line 11 above	18	
19	19	Add lines 17 and 18	19	28,842
20	20	Tax on amount on line 19 (from Tax Rate Schedule X, Y, or Z)	20	5,303
21	21	Tax on amount on line 17 (from Tax Rate Schedule X, Y, or Z)	21	5,303
22	22	Tax on amount on line 16 (from Tax Rate Schedule X, Y, or Z)	22	2,673
23	23	Subtract line 22 from line 21	23	2,630
24	24	Multiply the amount on line 23 by 3. <i>If you have no entry on line 9, skip lines 25 through 27 and go to line 28.</i>	24	7,890
25	25	Tax on amount on line 8 (from Tax Rate Schedule X, Y, or Z)	25	
26	26	Tax on amount on line 10 (from Tax Rate Schedule X, Y, or Z)	26	
27	27	Subtract line 26 from line 25.	27	
28	28	Add lines 20, 24, and 27. Write the result here and on Form 1040, line 38 if less than the tax figured using the tax rate schedules or table. Also, check the Schedule G box	28	13,193

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule G (Form 1040) 1984

(s) as shown on tax return

Identifying number

RICHARD SHOFER

219-28-1068

1	Adjusted gross income from Form 1040, line 33 or Form 1040NR, line 32 (see instructions)	1	139769
2	Deductions (see instructions):		
a	(1) Medical and dental expense from Schedule A, line 5	2a(1)	3229
	(2) Multiply Form 1040, line 33 by 5% (.05)	2a(2)	6988
	(3) Subtract line 2a(2) from line 2a(1). (If zero or less, enter zero)	2a(3)	-0-
b	Contributions from Schedule A, line 18	2b	415
c	Casualty and theft losses from Schedule A, line 19	2c	
d	Qualified interest on property used as a residence from Schedule A, line 11	2d	24609
e	(1) Interest, other than line 2d above, from Schedule A, line 14	2e(1)	42220
	(2) Net investment income (If zero or less, enter zero)	2e(2)	-0-
	(3) Enter the smaller of line 2e(1) or line 2e(2)	2e(3)	-0-
f	Gambling losses to the extent of gambling winnings from Schedule A, line 22	2f	
g	Estate tax allowable under section 691(c) from Schedule A	2g	
h	Add lines 2a(3), b, c, d, e(3), f, and g	2h	25024
3	Subtract line 2h from line 1	3	114745
4	Tax preference items:		
a	Dividend exclusion	4a	
b	60% capital gain deduction	4b	
c	Accelerated depreciation on nonrecovery real property or 15 (or 18)-year real property	4c	
d	Accelerated depreciation on leased personal property or leased recovery property other than 15 (or 18)-year real property	4d	
e	Amortization of certified pollution control facilities	4e	
f	Mining exploration and development costs	4f	
g	Circulation and research and experimental expenditures	4g	
h	Reserves for losses on bad debts of financial institutions	4h	
i	Depletion	4i	
j	Incentive stock options	4j	
k	Intangible drilling costs	4k	
l	Add lines 4a through 4k	4l	
5	Alternative minimum taxable income (add lines 3 and 4(l)) (short period returns, see instructions)	5	114745
6	Enter: \$40,000, if married filing joint return or surviving spouse \$30,000, if single or head of household \$20,000, if married filing separate return or estate or trust	6	30000
7	Subtract line 6 from line 5. If zero or less, do not complete the rest of this form	7	84745
8	Enter 20% of line 7	8	16949
9	Amount from Form 1040, line 50 or Form 1040NR, line 51 (Do not include Form 1040, line 39 or Form 1040NR, line 41.) (estates and trusts, see instructions)	9	13193
10	Subtract line 9 from line 8. If zero or less, enter zero	10	3756
11	Foreign tax credit	11	
12	Alternative minimum tax (subtract line 11 from line 10). Enter on Form 1040, or Form 1040NR, line 52, Form 1041, line 32, or Form 990-T, page 1, line 14	12	3756

Instructions

(Section References are to the Internal Revenue Code)

Paperwork Reduction Act Notice.— We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Who Must File.— File this form if: (a) You are liable for the alternative minimum tax; or (b) you have one or more tax preference items on lines 4a through 4k; or (c) you have an amount on line 2e(3), and line 2e(2) includes income other than interest and dividend income.

Individuals, estates or trusts may be liable if their adjusted gross income plus tax preference items listed on line 4 total more than line 6.

For more information, see Publication 909, Alternative Minimum Tax.

Minimum Tax Deferred From Earlier Year(s).— If a net operating loss carryover from an earlier year(s) reduces taxable income for 1984, and the net operating loss giving rise to the carryover resulted in the deferral of minimum tax in that earlier year(s), all or part of the deferred minimum tax may be includible as tax liability for 1984. Figure the deferred minimum tax at 15% and complete and attach a 1982 Form 4625, Computation of Minimum Tax—Individuals, lines 14 through 18. You may attach a schedule following the format of Form 4625. Enter the amount from line 18 on Form 1040, line 52, or Form 1041, line 32 and write "Form 4625."

Partners, Beneficiaries, etc.— If you are a:

(1) Partner or shareholder of an S corporation, take into account separately your distributive share of items of income and deductions that enter into the computation of tax preference items.

(2) Beneficiary of an estate or trust, see section 58(c).

(3) Participant in a common trust fund, see section 58(e).

(4) Shareholder or holder of beneficial interest in a regulated investment company or a real estate investment trust, see section 58(f).

Carryback and Carryover of Unused Credits.— If it may be necessary to figure the carryback or carryover of certain unused credits. See section 55(c)(3).

(Continued on back)

2210

Underpayment of Estimated Tax by Individuals

OMB No. 1545-0140

1984 56

Department of the Treasury Internal Revenue Service (O)

See instructions on back Attach to Form 1040

(s) as shown on Form 1040

Social security number

RICHARD SHOFR

219 28 1068

Part I Figuring Your Underpayment

Table with 6 rows for tax calculation steps 1-6. Row 1: 1984 tax (from Form 1040, line 56). Row 2: Enter on this line the total of the following: Lines 52, 54, 59, and 62 of Form 1040, tax on an IRA from Part I or III of Form 5329, uncollected employee social security and RRTA tax on tips from Form W-2, and overpaid windfall profit tax from Form 6249. Row 3: Subtract line 2 from line 1. Row 4: Add the amounts on lines 57 and 61, Form 1040. Row 5: Subtract line 4 from line 3. (If less than \$400, stop here; do not complete the rest of this form.) Row 6: Multiply the amount on line 3 by .80 (80%) and enter result here.

Table with 7 rows for payment due dates and underpayment calculation. Row 7: Divide amount on line 6 by the number of payments required for the year (usually four). Enter the result in appropriate columns. Row 8: Estimated tax paid and tax withheld (see instructions). Row 9: Overpayment (see instructions). Row 10: Add lines 8 and 9. Row 11: Underpayment. (Subtract line 10 from line 7.) OR (Overpayment) (Subtract line 7 from line 10.)

Part II Exceptions to the Penalty

Table with 6 rows for exceptions to the penalty. Row 12: Total amount paid and withheld from January 1 through payment due date shown. (Do not include withholding after Dec. 31, 1984.) Row 13: Exception 1.—(See instructions.) Enter 1983 tax \$ 4619. Row 14: Exception 2.—Tax on 1983 income using 1984 rates and exemptions. (See instructions and attach computation.) Row 15: Exception 3.—Tax on annualized 1984 income. (See instructions and attach computation.) Row 16: Exception 4.—Tax on 1984 income over 3-, 5-, and 8-month periods. (See worksheet on back.)

Part III Figuring the Penalty (Complete for any underpayment to which no exception applies.)

Table with 6 rows for penalty calculation. Row 17a: Number of days after payment due date, through the date of payment or December 31, 1984, whichever is earlier. Row 17b: Number of days after payment due date through date of payment or April 15, 1985, whichever is earlier. Row 17c: Number of days after December 31, 1984, through date of payment or April 15, 1985, whichever is earlier. Row 18a: Number of days on line 17a x 11% x underpayment on line 11. Row 18b: Number of days on line 17b x 13% x underpayment on line 11. Row 18c: Number of days on line 17c x 13% x underpayment on line 11. Row 19: Penalty (add amounts on lines 18a, b, and c). Check the box below line 68 on Form 1040 and show this amount in the space provided.

4952

Investment Interest Expense Deduction

OMB No. 1549-0191

1984

72

See Instructions on back. Attach to Form 1040 (or Form 1041).

Department of the Treasury Internal Revenue Service

Identifying number: 219-28-1068. Name: HARD SHOEFER. Filing status: Individual.

Part I Interest on Investment Debts Incurred Before December 17, 1969. Note: Use Part I only if you have investment interest expense on debts incurred before December 17, 1969, and on debts incurred on or after that date.

Table with 4 rows: Interest expense on investment debts incurred before December 17, 1969; Total net investment income; Net investment income allocable to the period before December 17, 1969; Subtract line 3 from line 2.

Part II Interest on Investment Debts Incurred After September 10, 1975

Table with 14 rows: Interest expense on investment debts incurred after September 10, 1975; Carryover; Total investment interest expense; (a) Individuals enter \$10,000; (b) Additional limitation; Estates enter \$10,000; (a) Total net investment income; (b) Line 7 / (Line 7 + Line 15 + Line 27) x Line 10(a); Excess expenses from "net lease property"; Limitation on deduction; Allowable investment interest deduction; Disallowed investment interest to be carried over to 1985.

Part III Interest on Investment Debts Incurred Before September 11, 1975, and After December 16, 1969

Table with 15 rows: Interest expense on investment debts incurred before September 11, 1975, and after December 16, 1969; Individuals enter \$25,000; Estates enter \$25,000; Net investment income; Excess expenses from "net lease property"; Net long-term capital gain minus net short-term capital loss; Note: To adjust this gain on Schedule D or Form 4798, see Schedule D (Form 1040) instructions, page 24; Tentative limitation; Subtract line 21 from line 15; Additional deduction; Limitation on deduction; Allowable investment interest deduction; Disallowed investment interest to be carried over to 1985.

Part IV Investment Interest Expense Carryover From Earlier Years—Incurred Before September 11, 1975

Table with 8 rows: Carryover—Enter the sum of the amounts from 1983 Form 4952, lines 26 and 35; Enter amount reportable on line 18 plus \$25,000; Enter the larger of line 15 or \$25,000; Subtract line 29 from line 28; Enter 50% of line 30; Allowable investment interest deduction; Interest carryover from earlier years disallowed in 1984; Enter the 60% capital gain deduction from your 1984 Schedule D or 1984 Form 4798; Interest carryover to 1985.

HARVEY M. NEWMAN, CPA
GERALD L. GRABUSH, CPA
BARRY B. BONDROFF, CPA
PHILIP I. MATZ, CPA
NORMAN N. POLONSKY, CPA

Grabush, Newman & Co., P.A.
Certified Public Accountants

April 9, 1985

Office of the Comptroller
Income Tax Division
State Income Tax Building
Annapolis, Maryland 21401

Re: Richard Shofer 219-28-1068

Gentlemen:

An extension of time until August 15, 1985 is hereby requested in order to file Form 502 for the year 1984 for the above mentioned taxpayer.

Federal Form 4868 is attached.

Sincerely,

GRABUSH, NEWMAN & CO., P.A.

INTERNAL REVENUE SERVICE BALTIMORE, MD

18 Treasury Service (0)

Application for Automatic Extension of Time to File U.S. Individual Income Tax Return

OMB No 1545-0188

1984

71

Your first name and initial (if joint return, also give spouse's name and initial) Last name Your social security number
Richard Shafer 219 28 1068

Your present home address (Number and street, including apartment number, or rural route) Spouse's social security no.
5006 Liberty Heights Ave

City or town or post office, State, and ZIP code
Baltimore Maryland

Form with the Internal Revenue Service Center where you must file your income tax return and pay the amount shown on flow. This is not an extension of time for payment of tax. You will be charged a penalty for late payment of tax and late less you show reasonable cause for not paying or filing on time (see instructions).

Do you expect to file a gift tax return (Form 709 or Form 709-A) for 1984, generally due by April 15, 1985, check this box

Do you expect to file for an automatic 4-month extension of time to August 15, 1985, to file Form 1040A or Form 1040 for the calendar year 1984 (or if a 1040 to 19 for the tax year ending 19).

Table with 7 rows and 3 columns. Row 1: Total income tax liability for 1984. Row 2: Federal income tax withheld. Row 3: 1984 estimated tax payments. Row 4: Other payments and credits. Row 5: Add lines 2, 3, and 4. Row 6: Income tax balance due. Row 7: Total gift tax you expect to owe for 1984.

APR 15 1985 DIST. DIV. REG. RMD CASHIERS WITH REPLY OFFICE

Signature and Verification

If Prepared by Taxpayer.—Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Your signature Date

Spouse's signature (if filing jointly, BOTH must sign even if only one had income) Date

If Prepared by Someone Other Than Taxpayer.—Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

Signature of preparer other than taxpayer, CPA Date 4/9/85

For Paperwork Reduction Act Notice, see back of form.

Form 4868 (1984)

Vertical text on the left side: Receipt For Payment of Taxes, Receipt (When Property Is Sold), 13500.00, 13500.00, 13500.00, 3:35 PM, 04/15/85, 5201

RICHARD SHOFER
5006 LIBERTY HEIGHTS AVENUE
BALTIMORE, MD 21207

4/15/ 1985 1853

7-16/80

Pay to the order of Internal Revenue Service \$ 13,500
Thirteen Thousand Five Hundred Dollars

maryland national bank
WOODMOOR OFFICE 462
BALTIMORE, MARYLAND 21207

Memo 219-28-1068

Richard Shofer

⑆052000168⑆1853⑆000 8538407⑆

502
RESIDENT

MARYLAND TAX RETURN

1984

Or Fiscal Year Beginning 1984, Ending 19
(For Privacy Notice See Page 15 of Instructions)

First Name(s) and Initial(s) (If joint return, use first names and middle initials of both) RICHARD		Last Name(s) SHAFFER		DO NOT WRITE IN THIS SPACE SERIAL No. B	
PRESENT Address (Number and Street or Rural Route) 216 ST. DUNSTONS RD.			Your Social Security Number 219 28 1068		
Post Office BALTIMORE		State MD	Zip Code 21212	Your Occupation CORP. EXECUTIVE	
Name of COUNTY in which you were a resident on the last day of the taxable period: (See page 16 of Instructions)			Maryland County	Spouse's Social Security Number	
INCORPORATED city, town or special taxing district of the taxable period, enter its name, size.			City, Town, or Taxing Area BALTIMORE	Spouse's Occupation	

<input checked="" type="checkbox"/> Single <input type="checkbox"/> Married, filing joint return or spouse had no income <input type="checkbox"/> Married, filing combined separate returns on this form <input type="checkbox"/> Married, filing separately Spouse's Name: _____ Spouse's Social Security Number: _____ <input type="checkbox"/> Qualifying widow(er) with dependent child		EXCHANGE: Did you establish or abandon legal residence in Maryland in 1984? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, give dates of Maryland Residency and see instructions, p. 13 FROM: _____ TO: _____ (Mo., Day, Year) (Mo., Day, Year)	
--	--	---	--

EXEMPTIONS REGULAR - 65 OR OVER <input type="checkbox"/> BLIND <input type="checkbox"/> ENTER NUMBER CHECKED: _____ / A		OTHER EXEMPTIONS ALLOWED BY MARYLAND NAME: _____ RELATIONSHIP: _____ REGULAR - 65 OR OVER <input type="checkbox"/> BLIND <input type="checkbox"/> ENTER NUMBER CHECKED: _____ / B	
FIRST NAMES OF DEPENDENT CHILDREN ANDY, DAVID ENTER NUMBER: 2 (B)		TOTAL EXEMPTIONS (Add A, B and C) 3	

Line	Description	Amount
1	Adjusted Gross Income (From Line 36 of this form)	139,769
2	Additions (From Line 55 of this form)	
3	Total (Add Lines 1 and 2)	139,769
4	Subtractions (From Line 62 of this form)	
5	Total Maryland Adjusted Gross Income (Subtract Line 4 from Line 3)	139,769
6	TAXABLE - Pages 21-24 of Instructions. Check here <input type="checkbox"/> (If you use the Standard Deduction, check here and enter 13,000 for FILING STATUS 1, 3, 4, and 5 or 3,000 for FILING STATUS 2)	
7	Standard Deduction, Check here and Enter Total Deductions (Line 4 of this form)	7,253
8	Income (Subtract Line 7 or Line 8 from Line 5)	61,516
9	Number of Exemptions X \$800 (Prorate according to number of months covered by the return)	2,400
10	Exemption Amount (Subtract Line 9 from Line 8)	59,116
11	Local Tax (From Rate Schedule, Page 17 of Instructions) Enter 50 on your Line 23	2,896
12	Total Maryland and Local Income Tax (Add Lines 11 and 10)	4,344
13	Total Maryland Tax Withheld	450
14	1984 Estimated Tax Payments and Payment Made with an Extension Request	
15	Income Tax Paid, another State (From Form 502-CP)	
16	Business Credits, a. Personal Property Tax (From Form 502-CP)	
17	b. Enterprise Zone Credit (From Form 500-Z)	
18	Total Payments and Credits (Add Lines 13 through 18)	450
19	Balance Due (If Line 14 Exceeds Line 19) Pay in Full With This Return	3,894
20	Overpayment (If Line 14 is Less Than Line 19)	
21	Combined Balance Due (Add Line 19 and Line 20)	
22	Combined Overpayment (Subtract Line 20 from Line 19)	

23 Amount of Line 21 or Line 23 TO BE REFUNDED TO YOU

24 Refund

25 Refund

26 Amount of Overpayment to be Credited to 1985 Estimated Tax

27 Form 502-EP Attached. Write Penalty Amount Here and See Instructions, Page 18

DECLARATION: I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge.

COMPTROLLER OF THE TREASURY
 SIGNATURE OF TAXPAYER: _____
 SIGNATURE OF SPOUSE: _____
 SIGNATURE OF PREPARER: _____

GRABBS & NEWMAN, P.A., CPAs
 BALTIMORE, MARYLAND 21210

SCHEDULES

All taxpayers must complete Schedule A. Taxpayers who itemize deductions must also complete Schedule B. Taxpayers with modifications Federal adjusted gross income must complete Schedule C and/or D as applicable. See instructions, Page 19.

COLUMNS

All taxpayers must complete Column C with the items appearing on their Federal returns. Married individuals who filed a joint Federal return, but who choose to file combined separate Maryland returns, must complete Columns A and B, reconciling their separate income, deductions and modifications with the amounts reported jointly for Federal purposes.

SCHEDULE A — INCOME AND ADJUSTMENTS FROM FEDERAL RETURN

	COLUMN A	COLUMN B	COLUMN C
26. Wages, Salaries, Tips, etc. 26			141,000
27. Interest 27			1,970
28. Dividends 28			
29. Business Income or (Loss) 29			
30. Capital Gain or (Loss) 30			(3,000)
31. Pensions & Annuities (Rents & Royalties, Partnerships, Estates or Trusts, etc.) (circle appropriate items) 31			(201)
32. Farm Income or (Loss) 32			
33. Miscellaneous Sources of Income (See Instructions, Page 18). 33			
34. Total Income (Add Lines 26 Through 33) 34			139,769
35. Adjustments To Income (Total Adjustments to Income from Federal Return) 35			
36. Adjusted Gross Income (Subtract Line 35 from Line 34) (Enter on Line 1). 36			139,769

SCHEDULE B — ITEMIZED DEDUCTIONS AND MARYLAND ADJUSTMENTS

(If from Maryland Form 502A, Complete only Lines 45 through 49)

If columns A and B are used and it is not possible to distinguish deductions between spouses, allocate in accordance with income.

	COLUMN A	COLUMN B	COLUMN C
37. Medical and Dental Expense 37			3,229
38. Taxes 38			9,350
39. Interest 39			64,829
40. Contributions 40			415
41. Casualty or Theft Losses 41			
42. Miscellaneous Itemized Deductions 42			222
43. Total Itemized Deductions (Add Lines 37 Through 42) 43			80,045
44. State and Local Income Taxes Included on Line 38 44			1,792
45. Net Deductions (Subtract Line 44 from Line 43) 45			78,253
46. State Deduction: Artist's Contribution (Attach Schedule 502 AC) 46			
47. Total (Add Lines 45 and 46) 47			78,253
48. Less Deductions During Period of Nonresident Status 48			
49. Total Maryland Deductions (Subtract Line 48 from Line 47) (Enter on Line 8). 49			78,253

MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME

SCHEDULE C — ADDITIONS

	COLUMN A	COLUMN B	COLUMN C
50. Federal Deduction for Two-Earner Married Couples 50			
51. Interest on State and Local Obligations Other Than Maryland 51			
52. Dividend Exclusion (From Federal Return) 52			
53. Taxable Tax Preference Items (Attach Form 502 TP) 53			
54. Other (Specify) (See Instructions, Page 19) 54			
55. Total (Add Lines 50 Through 54) (Enter on Line 2) 55			

SCHEDULE D — SUBTRACTIONS

	COLUMN A	COLUMN B	COLUMN C
56. Interest on U.S. Obligations 56			
57. Pension Exclusion (Complete Computation Below) 57			
58. Child and Dependent Care Expenses (See Instructions, Page 19) 58			
59. Use of Vehicle for Charitable Purposes (Attach Form 502 V) 59			
60. Income Received During Period of Nonresident Status 60			
61. Other (Specify) (See Instructions, Page 19) 61			
62. Total (Add Lines 56 Through 61) (Enter on Line 4) 62			

PENSION EXCLUSION COMPUTATION (For use only if 65 or over, or totally disabled — See Instructions, Page 19)

	COLUMN A		COLUMN B	
63. Net Taxable Pension and Retirement Annuity				
64. Included as Income in Federal Return				
64. Maximum Allowable Exclusion	\$ 8500	00	\$ 8500	00
65. Benefits Received Under the Social Security Act and/or the Railroad Retirement Act				
66. Tentative Exclusion (Subtract Line 65 from Line 64)	\$		\$	
67. Modification (Subtraction) to Federal Adjusted Gross Income (Line 63 or Line 66 Whichever is Less) Write the Amount on Line 57	\$		\$	

November 7, 1986

Mr. Richard Shofer
c/o Catalina Enterprises
5006 Liberty Heights Avenue
Baltimore, Maryland 21207

Dear Dick:

We covered so much in our meeting of November 4 regarding the affects of the new tax act ^{ON} your personal, corporation and pension position that I thought I would use this letter to summarize the new tax laws you will be operating under.

1. Installments sales - ^(Interest) Effective for all sales after February 28, 1986 the deferred gain will be recognized in your income faster, ^{THAN} normal based on a ratio of total debt divided by total assets multiplied by total installment sales receivables for that period.

2. Allowances for doubtful accounts - ^{ANCE} The allowances, ^{ARE} being phased out effective January 1, 1987 by taking the balance in the allowance account as of that date and recognizing 25% of it in income over the next four years. In addition ~~to~~ that for 1987 and future years you will have to switch to the direct write-off method.

3. Real Estate Rental Losses - Although the interest expense regarding the first and second mortgages on your two condos are deductible on Schedule E as a rental expense, the actual loss ^{ON} from Schedule E ^{THAT IS CARRIED FORWARD} to page 1 of your 1040 will be limited, and it is our conclusion that for 1987 and future years the loss allowable to you will be zero.

4. Interest expense deductible as an itemized deduction - Any interest that you pay for financing the purchase of personal items will be limited in future years. The deduction will be limited, ^{TO} a percentage of your total personal ^{INTEREST} expense as follows: 1987 65%, 1988 40%, 1989 20%, 1990 10%, 1991 0%. The interest we consider investment or business interest is limited to the first \$25,000 to be deductible, however, that has the same phase out period and same percentages as above.

5. Home Mortgage Interest - The interest on your home mortgage will be fully deductible on your individual ^{AS} long as the total mortgage does not exceed your basis in the property. ^{Return}

6. Borrowing from Pension Plan - It is our conclusion that you can only borrow from your Pension Plan to the extent of the voluntary contributions plus an additional \$50,000. These loans need to be draw-up in such a way that they

DEFENDANT'S
EXHIBIT

19

366-8700

Mr. Richard Shofer

-2-

November 7, 1986

~~will be~~ paid back in a five year period. Loans taken out in excess of that will be considered income on your personal return at the date the money has been withdrawn. ~~and~~ In order to ^{lessen} lower the effect of the disallowed interest expense on your personal return, we have suggested that you show the loans against your voluntary account as withdrawals of the voluntary account.

7. Prohibited Transactions with the Pension Plan - We believe that due to the late payment of contributions and the accumulation of bad debts that have not been reimbursed by Crown that these items shown as receivable on the Pension Plan have to be disclosed separately on your Form 5500 which is prepared by Stu Hack.

8. ^{Insert 3} ~~October 15~~ Deadline for filing Form 5500 for the Pension Plan - When the Form 5500 is not filed by October 15 you are technically exposing the Pension Plan to a late filing penalty of \$25 a day for every day it is late after October 15.

9. Taxes Due in Future Years on Form 990T - Since we are again contemplating having taxable transactions due to acquisition indebtedness in the Pension Plan the Internal Revenue Service now requires that estimate payments be made each quarter to cover the tax instead of making one payment as of when the tax return is due.

^{Insert 4}

The above was just intended as a brief summary of the many things we discussed during our meeting. If you have any questions on the above, please give me a call.

Very truly yours,

Kenneth E. Larash

KEL/ss

10. You are going to sell prior to December 31, 1986 part of your stock back to Catalina Enterprises, Inc. You will sell back to the company stock which you ^{originally} paid \$270,000 for at a price of \$342,000. You will then use the \$342,000 to reduce your loan balance to Catalina Enterprises, Inc.

Insert 4

On November 5, 1986 you called me and asked my opinion of the following transactions:

- (1) You will go to the bank and borrow \$500,000 and secure this loan with your common stock.
- (2) You will purchase \$500,000 of preferred stock for the company which will pay 10 percent per year.
- (3) The company will use the \$500,000 to pay off loans to the bank.
- (4) You will be able to deduct the interest on the loan to the bank because you will have dividend income.

This plan will not work. Since the company does not have any accumulated retained earnings it can not pay dividends. Therefore, the interest on the loan from the bank would be non deductible.

Although the changes in the installment sales provisions are going to create additional income to the corporation, this is not the end of the world. However, you do have problems that could cause a major financial crisis. These are the late due 5500's, past due individual income tax returns, and prohibited transactions with the pension plan. It is these problems that need your immediate attention if you expect to stay in business and out of jail.

I feel that it is imperative that you take the following steps immediately

- (A) File all late Form 5500's (see #8)
- (B) File your 1985 Individual Income tax return
- (C) Sell common stock to the corporation and make ^{payment on} ~~part of~~ your loan to the corporation (see #10)
- (D) Sell your condominiums pay off the \$75,000 second mortgage to the pension plan and use any proceeds to make a payment on your loan to the corporation.
- (E) Sell your land on Park Heights Avenue and use the proceeds to make a payment ^{on your} loan to the corporation
- (F) Have the corporation take the money it receives from #4 and #5 above and make a payment on the money it owes the pension plan.

AMMENDED INCOME TAX RETURN

RICHARD SHOFER

1984

**DEFENDANT'S
EXHIBIT**

18

Amended U.S. Individual Income Tax Return

This return is for calendar year **1987**, OR fiscal year ended **1987**

Please print or type	Your first name and initial (if joint return, also give spouse's name and initial) RICHARD	Last name SHOFER	Your social security number 219-28-1068
	Present home address (number and street or rural route). (If you have a P.O. Box, see instructions.) 216 ST. DUNSTONS RD		Spouse's social security number
	City, town or post office, state, and ZIP code BALTIMORE MD 21212		Telephone number (optional)

Enter below name and address as shown on original return (if same as above, write "Same"). If changing from separate to joint return, enter names and addresses used on original returns. (Note: You cannot change from joint to separate returns after the due date has passed.)

SAME

a Service center where original return was filed PHILADELPHIA	b Has original return been changed or audited by IRS? If "No," have you been notified that it will be? If "Yes," identify IRS office	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
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c Are you amending your return to include any item (loss, credit, deduction, other tax benefit, or income) relating to a tax shelter required to be registered?
If "Yes," you MUST attach Form 8271, Investor Reporting of Tax Shelter Registration Number. Yes No

d Filing status claimed. (Note: You cannot change from joint to separate returns after the due date has passed.)

On original return	<input type="checkbox"/> Single	<input type="checkbox"/> Married filing joint return	<input type="checkbox"/> Married filing separate return	<input checked="" type="checkbox"/> Head of household	<input type="checkbox"/> Qualifying widow(er)
On this return	<input type="checkbox"/> Single	<input type="checkbox"/> Married filing joint return	<input type="checkbox"/> Married filing separate return	<input checked="" type="checkbox"/> Head of household	<input type="checkbox"/> Qualifying widow(er)

Income and Deductions		A. As originally reported or as adjusted (see instructions)	B. Net change—Increase or (Decrease)—explain on page 2	C. Correct amount
1	Total income (see Instructions)	139769	73400	213169
2	Adjustments to income (see Instructions)			
3	Adjusted gross income (subtract line 2 from line 1)	139769	73400	213169
4	Deductions (see Instructions)	77745	(32297)	174516
5	Subtract line 4 from line 3	62024	76629	138653
6	Exemptions (see Instructions)	3000		3000
7	Taxable income (subtract line 6 from line 5)	59024	76629	135653
8	Tax (see Instructions). (Method used in col. C, Schedule G...)	13193	27116	40309
9	Credits (see Instructions)			
10	Subtract line 9 from line 8. Enter the result, but not less than zero	13193	27116	40309
11	Other taxes (such as self-employment tax, alternative minimum tax)	3756	(3756)	
12	Total tax liability (add line 10 and line 11)	16949	23360	40309
13	Federal income tax withheld and excess FICA and RRTA tax withheld	4640		4640
14	Estimated tax payments			
15	Earned income credit			
16	Credits for Federal tax on gasoline and special fuels, regulated investment company, etc.			
17	Amount paid with Form 4868, Form 2688, or Form 2350 (application for extension of time to file)			13500
18	Amount paid with original return, plus additional tax paid after it was filed			
19	Total of lines 13 through 18, column C			13500

Refund or Amount You Owe

20	Overpayment, if any, as shown on original return (or as previously adjusted by IRS)	7191
21	Subtract line 20 from line 19 (see instructions)	16949
22	AMOUNT YOU OWE. If line 19 is more than line 21, enter difference. Please pay in full with this return.	23360
23	REFUND to be received. If line 19 is more than line 21, enter difference.	

Please Sign Here

Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

COPY

Your signature _____ Date _____ Spouse's signature (if filing jointly, BOTH must sign) _____

Paid Preparer's Use Only

Preparer's signature Kenneth E. Karol	Date 12/9/87	Check if self-employed <input type="checkbox"/>	Preparer's social security number 214-502-8023
Firm's name (or yours, if self-employed) and address	E.I. No.	ZIP code GRABER, NEWPORT & CO., P.A., CPAs BALTIMORE, MARYLAND 21210 E.I. # 52-1134882	

Part I Exemptions (see Form 1040 or Form 1040A Instructions) If claiming more exemptions, complete lines 1—9. If claiming fewer exemptions, complete lines 1—6.		A. Number originally reported	B. Net change	C. Correct number
1 Exemptions—yourself and spouse, 65 or over, blind	1	1		1
2 Your dependent children who lived with you	2	2		2
3 For tax years beginning after 1984, your dependent children who did not live with you	3			
4 Other dependents	4			
5 Total exemptions (add lines 1 through 4)	5	3		3
6 Multiply \$1,080 (\$1,040, for tax year 1985; \$1,000, for tax years beginning before 1985) by the number of exemptions claimed on line 5. Enter the result here and on page 1, line 6	6	3000		3000

7 First names of your dependent children who lived with you and were not claimed on original return: Enter number

8 For tax years beginning after 1984, first names of your dependent children who did not live with you and were not claimed on original return (see Instructions). (If pre-1985 agreement, check here) Enter number

9 Other dependents not claimed on original return:		(c) Number of months lived in your home	(d) Did dependent have income of at least \$1,080 (\$1,040, for tax year 1985; \$1,000, for tax years beginning before 1985)?	(e) Did you provide more than one-half of dependent's support?	Enter number <input type="checkbox"/>
(a) Name	(b) Relationship				

Part II Explanation of Changes to Income, Deductions, and Credits

Enter the line number from page 1 for each item you are changing and give the reason for each change. Attach all supporting forms and schedules for items changed. Be sure to include your name and social security number on any attachments.

If the change pertains to a net operating loss carryback, a general business credit carryback, or for tax years beginning before 1986, a research credit carryback, attach the schedule or form that shows the year in which the loss or credit occurred. See the Instructions. Also, check here

Line #1 change \$73,400 - INCOME DUE TO LOSS FROM PENSION PLAN RE-CHARACTERIZED AS A DISTRIBUTION, AND THEREFORE TAXABLE.

Line #4 change \$3229 - MEDICAL EXPENSE IN EXCESS OF 5% OF AGI HAS ACCORDINGLY DECREASED AS FOLLOWS:

	ORIGINAL	AMENDED	DIFFERENCE
MEDICAL EXP.	10217	10217	
5% of AGI	6988	10658	3670
ITEMIZED DEDUCTION	3229	-	3229

LINE #11 ALTERNATIVE MINIMUM TAX NOT APPLICABLE, LESS THAN CORRECTED TAX

Part III Presidential Election Campaign Fund

Checking below will not increase your tax or reduce your refund.

If you did not previously want to have \$1 go to the fund, but now want to Check here
 If joint return and if spouse did not previously want to have \$1 go to the fund, but now wants to Check here

Income Averaging

1984
 16

▶ See instructions on back. ▶ Attach to Form 1040.

Name(s) as shown on Form 1040

RICHARD SHOFER

Your social security number
 219:28:1061

Step 1 Add your income from 1981—1983

1981	1	Fill in the amount from your 1981 Form 1040 (line 34) or Form 1040A (line 12). If less than zero, enter zero	1	4811
1982	2	Fill in the amount from your 1982 Form 1040 (line 37), Form 1040A (line 16), or Form 1040EZ (line 7). If less than zero, enter zero	2	10967
1983	3	Fill in the amount from your 1983 Form 1040 (line 37), Form 1040A (line 19), or Form 1040EZ (line 7). If less than zero, enter zero	3	24467
Total	4	Fill in all income less deductions earned outside of the U.S. or within U.S. possessions and excluded for 1981 through 1983 (include housing exclusion in 1982 and 1983)	4	
	5	Add lines 1 through 4	5	40245

Step 2 Figure your averageable income

	6	Divide the amount on line 5 by three (3)	6	13415
	7	Multiply the amount on line 6 by 140% (1.4)	7	18781
	8	Fill in your taxable income for 1984 from Form 1040, line 37	8	135653
	9	If you received a premature or excessive distribution subject to a penalty under section 72, see instructions	9	-
	10	Subtract line 9 from line 8	10	135653
	11	If you live in a community property state and are filing a separate return, see instructions	11	-
	12	Subtract line 11 from line 10. If less than zero, enter zero	12	135653
	13	Write in the amount from line 7 above	13	18781
	14	Subtract line 13 from line 12. This is your averageable income. If this line is \$3,000 or less, do not complete the rest of this form	14	116872

Step 3 Figure your tax

	15	Multiply the amount on line 14 by 25% (.25)	15	29218
	16	Write in the amount from line 7 above	16	18781
	17	Add lines 15 and 16	17	47999
	18	Write in the amount from line 11 above	18	-
	19	Add lines 17 and 18	19	47999
	20	Tax on amount on line 19 (from Tax Rate Schedule X, Y, or Z)	20	12082
	21	Tax on amount on line 17 (from Tax Rate Schedule X, Y, or Z)	21	12082
	22	Tax on amount on line 16 (from Tax Rate Schedule X, Y, or Z)	22	2673
	23	Subtract line 22 from line 21	23	9409
	24	Multiply the amount on line 23 by 3	24	28227
	<i>If you have no entry on line 9, skip lines 25 through 27 and go to line 28.</i>			
	25	Tax on amount on line 8 (from Tax Rate Schedule X, Y, or Z)	25	
	26	Tax on amount on line 10 (from Tax Rate Schedule X, Y, or Z)	26	
	27	Subtract line 26 from line 25	27	-
	28	Add lines 20, 24, and 27. Write the result here and on Form 1040, line 38 if less than the tax figured using the tax rate schedules or table. Also, check the Schedule G box	28	40309

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule G (Form 1040) 1984

Alternative Minimum Tax Computation

▶ Attach to Forms 1040, 1040NR, 1041 or 990-T (Trust).

1984
32

Name(s) as shown on tax return RICHARD SHOFER		Identifying number 219-28-1068	
1	Adjusted gross income from Form 1040, line 33 or Form 1040NR, line 32 (see instructions)	1	213169
2	Deductions (see instructions):		
	a (1) Medical and dental expense from Schedule A, line 5	2a(1)	
	(2) Multiply Form 1040, line 33 by 5% (.05)	2a(2)	
	(3) Subtract line 2a(2) from line 2a(1). (If zero or less, enter zero)	2a(3)	
	b Contributions from Schedule A, line 18	2b	415
	c Casualty and theft losses from Schedule A, line 19	2c	
	d Qualified interest on property used as a residence from Schedule A, line 11	2d	24609
	e (1) Interest, other than line 2d above, from Schedule A, line 14	2e(1)	42220
	(2) Net investment income (If zero or less, enter zero)	2e(2)	
	(3) Enter the smaller of line 2e(1) or line 2e(2)	2e(3)	
	f Gambling losses to the extent of gambling winnings from Schedule A, line 22	2f	
	g Estate tax allowable under section 691(c) from Schedule A	2g	
	h Add lines 2a(3), b, c, d, e(3), f, and g.	2h	25024
3	Subtract line 2h from line 1	3	188145
4	Tax preference items:		
	a Dividend exclusion	4a	
	b 60% capital gain deduction	4b	
	c Accelerated depreciation on nonrecovery real property or 15 (or 18)-year real property	4c	
	d Accelerated depreciation on leased personal property or leased recovery property other than 15 (or 18)-year real property	4d	
	e Amortization of certified pollution control facilities	4e	
	f Mining exploration and development costs	4f	
	g Circulation and research and experimental expenditures	4g	
	h Reserves for losses on bad debts of financial institutions	4h	
	i Depletion	4i	
	j Incentive stock options	4j	
	k Intangible drilling costs	4k	
	l Add lines 4a through 4k	4l	
5	Alternative minimum taxable income (add lines 3 and 4(l)) (short period returns, see instructions)	5	188145
6	Enter: \$40,000, if married filing joint return or surviving spouse \$30,000, if single or head of household \$20,000, if married filing separate return or estate or trust	6	30000
7	Subtract line 6 from line 5. If zero or less, do not complete the rest of this form	7	158145
8	Enter 20% of line 7	8	31629
9	Amount from Form 1040, line 50 or Form 1040NR, line 51 (Do not include Form 1040, line 39 or Form 1040NR, line 41.) (estates and trusts, see instructions)	9	40309
10	Subtract line 9 from line 8. If zero or less, enter zero	10	
11	Foreign tax credit	11	
12	Alternative minimum tax (subtract line 11 from line 10). Enter on Form 1040, or Form 1040NR, line 52, Form 1041, line 32, or Form 990-T, page 1, line 14	12	

Instructions

(Section References are to the Internal Revenue Code)

Paperwork Reduction Act Notice.— We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Who Must File.—File this form if: (a) You are liable for the alternative minimum tax; or (b) you have one or more tax preference items on lines 4c through 4k; or (c) you have an amount on line 2e(3), and line 2e(2) includes income other than interest and dividend income.

Individuals, estates or trusts may be liable if their adjusted gross income plus tax preference items listed on line 4 total more than line 6.

For more information, see Publication 909, Alternative Minimum Tax.

Minimum Tax Deferred From Earlier Year(s).—If a net operating loss carryover from an earlier year(s) reduces taxable income for 1984, and the net operating loss giving rise to the carryover resulted in the deferral of minimum tax in that earlier year(s), all or part of the deferred minimum tax may be includible as tax liability for 1984. Figure the deferred minimum tax at 15% and complete and attach a 1982 Form 4625, Computation of Minimum Tax—Individuals, lines 14 through 18. You may attach a schedule following the format of Form 4625. Enter the amount from line 18 on Form 1040, line 52, or Form 1041, line 32 and write "Form 4625."

Partners, Beneficiaries, etc.—If you are a:

(1) Partner or shareholder of an S corporation, take into account separately your distributive share of items of income and deductions that enter into the computation of tax preference items.

(2) Beneficiary of an estate or trust, see section 58(c).

(3) Participant in a common trust fund, see section 58(e).

(4) Shareholder or holder of beneficial interest in a regulated investment company or a real estate investment trust, see section 58(f).

Carryback and Carryover of Unused Credits.—It may be necessary to figure the carryback or carryover of certain unused credits. See section 55(c)(3).

(Continued on back)

502X

AMENDED MARYLAND INCOME TAX RETURN

THIS RETURN IS for calendar year 1984

RESIDENT Or Fiscal Year Beginning 19... Ending 19...

First Name and Initial (if joint return, use first names and middle initials of both) Last Name RICHARD SHOFER
Post Office Baltimore County MD Zip Code 21212
Your Social Security Number 219 281068
Spouse's Social Security Number
ACCOUNT NUMBER
For information Phone Annapolis 269-3116

THIS FORM CONSTITUTES A NEW TAX RETURN. ENTER YOUR CORRECT TOTAL AMOUNTS (INCOME, DEDUCTIONS, WITHHOLDING CREDIT, ETC) ON THIS FORM.

A. YOUR FILING STATUS check only one: 1. Single (checked) 2. Married filing joint return or spouse had no income 3. Married filing combined separate returns on this form 4. Married filing separately 5. Qualifying widow(er) with dependent child

B. Is an amended Federal return being filed? (checked) Yes
C. Has your original Federal return been changed or corrected by the Internal Revenue Service? (checked) Yes
D. Has the Maryland Income Tax Division advised you that your original return is being audited or corrected? (checked) Yes

EXEMPTIONS REGULAR 65 OR OVER BLIND
YOURSELF (checked)
SPOUSE
FIRST NAMES OF DEPENDENT CHILDREN ANDY, DAVID
ENTER NUMBER 2 (B)

OTHER EXEMPTIONS ALLOWED BY MARYLAND NAME RELATIONSHIP REGULAR 65 OR OVER
TOTAL EXEMPTIONS (Add A, B and C) 3
In combined separate returns, number of exemptions claimed in Column A Column B

Table with 2 columns: Description and Amount. Rows include Federal Adjusted Gross Income, Subtractions, Total Maryland Adjusted Gross Income, Tax Table, Maryland Tax, Local Income Tax, Total Maryland and Local Income Tax, Total Maryland Tax Withheld, Total Payments and Credits, Balance Due, Overpayment, Combined Balance Due, Combined Overpayment, Balance Due or Paid on Original Return, Refund per Original Return.

CLIENT'S COPY

Under penalty of perjury, I declare that I have prepared this return including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a preparer, this declaration is based on all information of which the preparer has any knowledge.
Make checks payable to the Controller of the Treasury and mail to:
COMPTROLLER OF THE TREASURY INCOME TAX DIVISION ANNAPOLIS, MARYLAND 21401
Your Signature and Date Spouse's Signature and Date (if filing jointly, or combined separate, BOTH must sign)
Signature of Preparer Other Than Taxpayer Address

SCHEDULE A — INCOME AND ADJUSTMENTS FROM FEDERAL RETURN

	COLUMN A	COLUMN B	COLUMN C
26. Wages, Salaries, Tips, etc. 26			141000
27. Interest 27			1970
28. Dividends 28			
29. Business Income or (Loss) 29			
30. Capital Gain or (Loss) 30			
31. Pensions & Annuities <u>Rents & Royalties</u> Partnerships, Estates or Trusts, etc. 31 (circle appropriate items)			{ 3000 } { 201 }
32. Farm Income or (Loss) 32			
* 33. Miscellaneous Sources 33			73400
34. Total Income (Add Lines 26 Through 33) 34			213169
35. Adjustments To Income (Total Adjustments to Income from Federal Return) 35			
36. Adjusted Gross Income (Subtract Line 35 from Line 34) (Enter on Page 1, Line 1) 36			213169

SCHEDULE B — ITEMIZED DEDUCTIONS AND MARYLAND ADJUSTMENTS
(If from Maryland Form 502A, Complete only Lines 45 through 49)

If columns A and B are used and it is not possible to distinguish deductions between spouses, allocate in accordance with income.

37. Medical and Dental Expense 37			9350
38. Taxes 38			66829
39. Interest 39			415
40. Contributions 40			-
41. Casualty or Theft Losses 41			222
42. Miscellaneous 42			76816
43. Total Itemized Deductions (Add Lines 37 Through 42) 43			1792
44. Enter State and Local Income Taxes Included on Line 38 44			75024
45. Net Deductions (Subtract Line 44 from Line 43) 45			
46. State Deduction: Artist's Contribution (Attach Schedule 502 AC) 46			
47. Total (Add Lines 45 and 46) 47			75024
48. Less Deductions During Period of Nonresident Status 48			
49. Total Maryland Deductions (Subtract Line 48 from Line 47) (Enter on Page 1, Line 8) 49			75024

MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME
SCHEDULE C — ADDITIONS

50. Federal Deduction for Two-Earner Married Couples 50			
51. Interest on State and Local Obligations Other Than Maryland 51			
52. Dividend Exclusion (From Federal Return) 52			
53. Taxable Tax Preference Items (Attach Form 502 TP) 53			
54. Other (Specify) (See Instructions) 54			
55. Total (Add Lines 50 Through 54) (Enter on Page 1, Line 2) 55			

SCHEDULE D — SUBTRACTIONS:

56. Interest on U.S. Obligations 56			
57. Pension Exclusion (Complete Computation Below) 57			
58. Child and Dependent Care Expenses (See Instructions, Page 19) 58			
59. Use of Vehicle for Charitable Purposes (Attach Form 502 V) 59			
60. Income Received During Period of Nonresident Status 60			
61. Other (Specify) (See Instructions, Page 19) 61			
62. Total (Add Lines 56 Through 61) (Enter on Page 1, Line 4) 62			

PENSION EXCLUSION COMPUTATION (For use only if 65 or over, or totally disabled — See Instructions, Page 19)

	COLUMN A	COLUMN B
63. Net Taxable Pension and Retirement Annuity Included as Income in Federal Return \$		\$ 9,350
64. Maximum Allowable Exclusion from original return \$		
65. Benefits Received Under the Social Security Act and/or the Railroad Retirement Act \$		
66. Tentative Exclusion (Subtract Line 65 from Line 64) \$		
67. Modification (Subtraction) to Federal Adjusted Gross Income (Line 63 or Line 66 Whichever is Less) Show Amount on Schedule D Line 57 Above \$		

EXPLANATION OF CHANGES to Income, Deductions, and Credits. Show computations in detail. Attach another sheet, if needed.

* ADDITIONAL INCOME \$ 73,400 . DUE TO LOAN FROM PENSION PLAN, BEING RECHARACTERIZED AS A TAXABLE DISTRIBUTION .

AMMENDED INCOME TAX RETURN

RICHARD SHOFER

1985

**DEFENDANT'S
EXHIBIT**

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Form 1040X

Department of the Treasury—Internal Revenue Service

Amended U.S. Individual Income Tax Return

OMB No. 1545-0047 Expires 4-30-88

This return is for calendar year 1985, OR fiscal year ended 19

Personal information section including name (RICHARD SHOOPER), address (216 ST. DWIGHTS RD BALTIMORE MD 21212), and social security number (219-422-871068).

Enter below name and address as shown on original return (if same as above, write "Same").

Service center (PHILADELPHIA), filing status (Married filing separate return), and other tax-related questions.

Income and Deductions table with columns for description, A (As originally reported), B (Net change), and C (Correct amount). Rows include Total income, Adjustments, Deductions, Tax liability, and Payments.

Refund or Amount You Owe section with rows for overpayment, amount owed, and refund.

Declaration: Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return...

Signature section for preparer (Kuneth E. Edwards) and spouse, including social security number and firm information.

Part I Exemptions (see Form 1040 or Form 1040A Instructions)

If claiming more exemptions, complete lines 1—9.
If claiming fewer exemptions, complete lines 1—6.

	A. Number originally reported	B. Net change	C. Correct number
1 Exemptions—yourself and spouse, 65 or over, blind	1		1
2 Your dependent children who lived with you	2		2
3 For tax years beginning after 1984, your dependent children who did not live with you			
4 Other dependents			
5 Total exemptions (add lines 1 through 4)	3		3
6 Multiply \$1,080 (\$1,040, for tax year 1985; \$1,000, for tax years beginning before 1985) by the number of exemptions claimed on line 5. Enter the result here and on page 1, line 8	3120		3120

7 First names of your dependent children who lived with you and were not claimed on original return: Enter number N

8 For tax years beginning after 1984, first names of your dependent children who did not live with you and were not claimed on original return (see Instructions). (If pre-1985 agreement, check here) Enter number N

9 Other dependents not claimed on original return:

(a) Name	(b) Relationship	(c) Number of months lived in your home	(d) Did dependent have income of at least \$1,080 (\$1,040, for tax year 1985; \$1,000, for tax years beginning before 1985)?	(e) Did you provide more than one-half of dependent's support?	Enter number <input type="checkbox"/> N

Part II Explanation of Changes to Income, Deductions, and Credits

Enter the line number from page 1 for each item you are changing and give the reason for each change. Attach all supporting forms and schedules for items changed. Be sure to include your name and social security number on any attachments.

If the change pertains to a net operating loss carryback, a general business credit carryback, or for tax years beginning before 1986, a research credit carryback, attach the schedule or form that shows the year in which the loss or credit occurred. See the Instructions. Also, check here

LINE 1 CHANGE - \$7600 - INCOME DUE TO LOAN FROM PENSION PLAN CONSIDERED TO BE DISTRIBUTION, AND THEREFORE TAXABLE

LINE 4 CHANGE - MEDICAL EXPENSE IN EXCESS OF 5% OF AGI HAS ACCORDINGLY DECREASED AS FOLLOWS:

	ORIGINAL	AMENDED	DIFFERENCE
MEDICAL EXPENSE	15313	15313	
5% OF AGI	7734	11564	
ITEMIZED DEDUCTION	7579	3749	3830

LINE 7 CHANGE - A.M.T. NO LONGER APPLICABLE (Schedule Attached)

Part III Presidential Election Campaign Fund

Checking below will not increase your tax or reduce your refund.

If you did not previously want to have \$1 go to the fund, but now want to Check here
If joint return and if spouse did not previously want to have \$1 go to the fund, but now wants to Check here

Income Averaging

1985

▶ See instructions on back. ▶ Attach to Form 1040.

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Name(s) as shown on Form 1040

RICHARD SHOFA

Your social security number

219 28 106

Step 1 Add your income from 1982—1984

1982	1	Fill in the amount from your 1982 Form 1040 (line 37), Form 1040A (line 16), or Form 1040EZ (line 7). If less than zero, enter zero	1	10967
1983	2	Fill in the amount from your 1983 Form 1040 (line 37), Form 1040A (line 19), or Form 1040EZ (line 7). If less than zero, enter zero	2	24467
1984	3	Fill in the amount from your 1984 Form 1040 (line 37), Form 1040A (line 19), or Form 1040EZ (line 7). If less than zero, enter zero	3	135653
Total	4	Fill in all income less deductions earned outside of the U.S. or within U.S. possessions and excluded for 1982 through 1984 (include housing exclusion)	4	-
	5	Add lines 1 through 4	5	171087

Step 2 Figure your averageable income

	6	Divide the amount on line 5 by three (3)	6	57029
	7	Multiply the amount on line 6 by 140% (1.4)	7	79841
	8	Fill in your taxable income for 1985 from Form 1040, line 37	8	150132
	9	If you received a premature or excessive distribution subject to a penalty under section 72, see instructions	9	-
	10	Subtract line 9 from line 8	10	150132
	11	If you live in a community property state and are filing a separate return, see instructions	11	-
	12	Subtract line 11 from line 10. If less than zero, enter zero	12	150132
	13	Write in the amount from line 7 above	13	79841
	14	Subtract line 13 from line 12. This is your averageable income. If this line is \$3,000 or less, do not complete the rest of this form	14	70291

Step 3 Figure your tax

	15	Multiply the amount on line 14 by 25% (.25)	15	17573
	16	Write in the amount from line 7 above	16	79841
	17	Add lines 15 and 16	17	97414
	18	Write in the amount from line 11 above	18	-
	19	Add lines 17 and 18	19	97414
	20	Tax on amount on line 19 (from Tax Rate Schedule X, Y, or Z)	20	33706
	21	Tax on amount on line 17 (from Tax Rate Schedule X, Y, or Z)	21	33906
	22	Tax on amount on line 16 (from Tax Rate Schedule X, Y, or Z)	22	25630
	23	Subtract line 22 from line 21	23	8276
	24	Multiply the amount on line 23 by 3 <i>If you have no entry on line 9, skip lines 25 through 27 and go to line 28.</i>	24	24828
	25	Tax on amount on line 8 (from Tax Rate Schedule X, Y, or Z)	25	
	26	Tax on amount on line 10 (from Tax Rate Schedule X, Y, or Z)	26	
	27	Subtract line 26 from line 25	27	
	28	Add lines 20, 24, and 27. Write the result here. If it is less than the tax figured from the tax rate schedules or tax table, also write the result on Form 1040, line 38, and check the Schedule G box	28	58734

Alternative Minimum Tax Computation

▶ Attach to Forms 1040, 1040NR, 1041 or 990-T (Trust).

1985
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Name(s) as shown on tax return

RICHARD SHOFER

Identifying number

219-28-1068

1 Adjusted gross income from Form 1040, line 33 or Form 1040NR, line 32 (see instructions)		1	231274
2 Deductions (see instructions):			
a (1) Medical and dental expense from Schedule A, line 5	2a(1) 3749		
(2) Multiply Form 1040, line 33 by 5% (.05)	2a(2) 11564		
(3) Subtract line 2a(2) from line 2a(1). (If zero or less, enter zero)	2a(3) -		
b Contributions from Schedule A, line 18	2b 160		
c Casualty and theft losses from Schedule A, line 19	2c		
d Qualified interest on property used as a residence from Schedule A, line 11	2d 43314		
e (1) Interest, other than line 2d above, from Schedule A, line 14	2e(1) 21001		
(2) Net investment income (If zero or less, enter zero)	2e(2) 155		
(3) Enter the smaller of line 2e(1) or line 2e(2)	2e(3) 155		
f Gambling losses to the extent of gambling winnings from Schedule A, line 22	2f		
g Estate tax allowable under section 691(c) from Schedule A	2g		
h Estates and trusts only: Charitable deduction and income distribution deduction	2h		
i Add lines 2a(3), b, c, d, e(3), f, g, and h		2i	43629
3 Subtract line 2i from line 1		3	187645
4 Tax preference items:			
a Dividend exclusion	4a		
b 60% capital gain deduction	4b		
c Accelerated depreciation on nonrecovery real property or 15 (or 18)-year real property	4c 9899		
d Accelerated depreciation on leased personal property or leased recovery property other than 15 (or 18)-year real property	4d 7733		
e Amortization of certified pollution control facilities	4e		
f Mining exploration and development costs	4f		
g Circulation and research and experimental expenditures	4g		
h Reserves for losses on bad debts of financial institutions	4h		
i Depletion	4i		
j Incentive stock options	4j		
k Intangible drilling costs	4k		
i Add lines 4a through 4k		4l	17632
5 Alternative minimum taxable income (add lines 3 and 4(l)) (short period returns, see instructions)		5	205277
6 Enter: \$40,000, if married filing joint return or Qualifying widow(er)		6	30000
\$30,000, if single or head of household			
\$20,000, if married filing separate return or estate or trust			
7 Subtract line 6 from line 5. If zero or less, do not complete the rest of this form		7	175277
8 Enter 20% of line 7		8	35055
9 Amount from Form 1040, line 50, or Form 1040NR, line 51. (Do not include Form 1040, line 39, or Form 1040NR, line 41.) (estates and trusts, see instructions)		9	53810
10 Subtract line 9 from line 8. If zero or less, enter zero		10	-
11 Foreign tax credit		11	-
12 Alternative minimum tax (subtract line 11 from line 10). Enter on Form 1040, line 52, Form 1040NR, line 52, Form 1041, line 31, or Form 990-T, page 1, line 14.		12	-

Instructions

(Section References are to the Internal Revenue Code)

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Who Must File.—File this form if: (a) You are liable for the alternative minimum tax; or (b) you have one or more tax preference items on lines 4c through 4k; or (c) you have an amount on line 2e(3), and line 2e(2) includes income other than interest and dividend income.

Individuals, estates or trusts may be liable if their adjusted gross income plus tax preference items listed on line 4 total more than line 6.

For more information, see Publication 909, Alternative Minimum Tax.

Minimum Tax Deferred From Earlier Year(s).—If a net operating loss carryover from an earlier year(s) reduces taxable income for 1985, and the net operating loss giving rise to the carryover resulted in the deferral of minimum tax in that earlier year(s), all or part of the deferred minimum tax may be includable as tax liability for 1985. Figure the deferred minimum tax in the worksheet in Publication 909 and enter it on Form 1040, line 52, or Form 1041, line 31. Write "Deferred Minimum Tax."

Partners, Beneficiaries, etc.—If you are a:

(1) Partner or shareholder of an S corporation, take into account separately your distributive share of items of income and deductions that

enter into the computation of tax preference items.

(2) Beneficiary of an estate or trust, see section 58(c).

(3) Participant in a common trust fund, see section 58(e).

(4) Shareholder or holder of beneficial interest in a regulated investment company or a real estate investment trust, see section 58(f).

Carryback and Carryover of Unused Credits.—It may be necessary to figure the carryback or carryover of certain unused credits. See section 55(c)(3).

Note: If you have an earned income credit, you must reduce that credit by any alternative minimum tax.

(Continued on back)

502X

AMENDED MARYLAND INCOME TAX RETURN

This return is for calendar year **1998**

RESIDENT Or Fiscal Year Beginning 19... Ending 19...

First Name and Initial (If joint return, use first names and middle initials of both) RICHARD		Last Name SHOFER		IMPORTANT - To expedite processing received a refund on your original return, in the box below, the account number printed on the check, if known. If a balance was paid on original return, indicate the account number in the upper right corner of the face of your check.	
Mailing Address (Number and Street or Rural Route) 216 ST. DUNSTONS RD			Your Social Security Number 219 281068		ACCOUNT NUMBER
Post Office BALTIMORE	County -	State MD	Zip Code 21212	Spouse's Social Security Number	
County BALTIMORE		City, Town, or Taxing Area BALTIMORE CITY		For Information Phone Annapolis 269-3116	

THIS FORM CONSTITUTES A NEW TAX RETURN. ENTER YOUR CORRECT TOTAL AMOUNTS (INCOME, DEDUCTIONS, WITHHOLDING CREDIT, ETC.) ON THIS FORM.

A. YOUR FILING STATUS - check only one

1. Single

2. Married filing joint return or spouse had no income

3. Married filing combined, separate returns on this form

4. Married filing separately

5. Qualifying widow(er) with dependent child

B. Is an amended Federal return being filed? Yes No

C. Has your original Federal return been changed or corrected by the Internal Revenue Service? Yes No

D. Has the Maryland Income Tax Division advised you that your original return is being audited or corrected? Yes No

EXEMPTIONS

REGULAR 65 OR OVER BLIND

YOURSELF SPOUSE

FIRST NAMES OF DEPENDENT CHILDREN
ANDY, DAVID

ENTER NUMBER CHECKED **1** (A)

ENTER NUMBER **2** (B)

OTHER EXEMPTIONS ALLOWED BY MARYLAND

NAME _____ RELATIONSHIP _____

REGULAR 65 OR OVER BLIND

ENTER NUMBER CHECKED _____

TOTAL EXEMPTIONS (ADD A, B and C) **3**

In combined separate returns, number of exemptions claimed in Column A Column B

	COLUMN A	COLUMN B
1. Federal Adjusted Gross Income (From Line 36 Schedule A Page 21)	232294	
2. Additions (From Line 55 Schedule C Page 2)	3816	
3. Total (Add Lines 1 and 2)	235090	
4. Subtractions (From Line 62 Schedule D Page 2)		
5. Total Maryland Adjusted Gross Income (Subtract Line 4 from Line 3)	235090	
6. TAX TABLE - Pages 21-24 of instructions. Check here. Skip Lines 7-11. Enter Tax on Line 12 <input type="checkbox"/>		
7. If you Use the Standard Deduction. Check here and Enter 13% of Line 5 not to exceed: \$1500 per Taxpayer for FILING STATUS 1, 3, 4, and 5 or \$3000 for FILING STATUS 2 <input type="checkbox"/>	73667	
8. If you Itemize Deductions. Check here and Enter Total Deductions (Line 49, Schedule B Page 2) <input checked="" type="checkbox"/>		
9. Net Income (Subtract Line 7 or Line 8 from Line 5)	161423	
10. Number of Exemptions X \$800 (Prorate according to number of months covered by the return)	2400	
11. Taxable Net Income (Subtract Line 10 from Line 9. Do not use tables. Use Rate Schedule R)	137423	
12. Maryland Tax (From Table, or as computed by Tax Rate Schedule R when Lines 7 through 11 are used)	7891	
13. Local Income Tax (See original return for percentage) Enter 50% of Line 12	3946	
14. Total Maryland and Local Income Tax (Add Lines 12 and 13)	11837	
15. Total Maryland Tax Withheld	1208	
16. 1998 Estimated Tax Payments and Payment Made with an Extension Request	3500	
17. Credit for Income Tax Paid Another State (From Form 502 CR)		
18. Credit for Maryland (State Only) Personal Property Tax Paid (From Form 502 CR)		
19. Total Payments and Credits (Add Lines 15 through 18)	4708	
20. Balance Due (If Line 14 Exceeds Line 19)	7129	
21. Overpayment (If Line 14 is Less Than Line 19)		
22. Combined Balance Due	7129	
23. Combined Overpayment		
24. Balance Due or Paid on Original Return	1097	
25. OR Refund per Original Return		
Net <input type="checkbox"/> Refund or <input checked="" type="checkbox"/> Balance Due	6032	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge.

Make checks payable to and mail to:

COMPTROLLER OF THE TREASURY
INCOME TAX DIVISION
ANNAPOLIS, MARYLAND 21401

Spouse's Signature and Date (If filing jointly, or combined separate, BOTH must sign)
GRABUSH, NEWMAN & CO., P.A., CPA's
BALTIMORE, MARYLAND 21210

Signature of Preparer Other Than Taxpayer
Address: ELKH 821134882

CLIENT'S COPY

SCHEDULE A — INCOME AND ADJUSTMENTS FROM FEDERAL RETURN

	COLUMN A	COLUMN B	COLUMN C
26. Wages, Salaries, Tips, etc.			700000
27. Interest			15
28. Dividends			
29. Business Income or (Loss)			
30. Capital Gain or (Loss)			(3000)
31. Pensions & Annuities, Rents & Royalties, Partnerships, Estates or Trusts, etc.			34119
32. Farm Income or (Loss)			
33. Miscellaneous Sources			
34. Total Income (Add Lines 26 Through 33)			231274
35. Adjustments To Income (Total Adjustments to Income from Federal Return)			
36. Adjusted Gross Income (Subtract Line 35 from Line 34) (Enter on Page 1, Line 1)			231274

SCHEDULE B — ITEMIZED DEDUCTIONS AND MARYLAND ADJUSTMENTS

(If from Maryland Form 502A, Complete only Lines 45 through 49)

	COLUMN A	COLUMN B	COLUMN C
37. Medical and Dental Expense			3743
38. Taxes			71840
39. Interest			6435
40. Contributions			160
41. Casualty or Theft Losses			
42. Miscellaneous			322
43. Total Itemized Deductions (Add Lines 37 Through 42)			80412
44. Enter State and Local Income Taxes Included on Line 38			6745
45. Net Deductions (Subtract Line 44 from Line 43)			73667
46. State Deduction: Artist's Contribution (Attach Schedule 502 AC)			
47. Total (Add Lines 45 and 46)			73667
48. Less Deductions During Period of Nonresident Status			
49. Total Maryland Deductions (Subtract Line 48 from Line 47) (Enter on Page 1, Line 8)			73667

If columns A and B are used and it is not possible to distinguish deductions between spouses, allocate in accordance with income.

MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME

SCHEDULE C — ADDITIONS

	COLUMN A	COLUMN B	COLUMN C
50. Federal Deduction for Two-Earner Married Couples			
51. Interest on State and Local Obligations Other Than Maryland			
52. Dividend Exclusion (From Federal Return)			
53. Taxable Tax Preference Items (Attach Form 502 TP)			153816
54. Other (Specify) (See Instructions)			
55. Total (Add Lines 50 Through 54) (Enter on Page 1, Line 2)			153816

SCHEDULE D — SUBTRACTIONS

	COLUMN A	COLUMN B	COLUMN C
56. Interest on U.S. Obligations			
57. Pension Exclusion (Complete Computation Below)			
58. Child and Dependent Care Expenses (See Instructions, Page 19)			
59. Use of Vehicle for Charitable Purposes (Attach Form 502 V)			
60. Income Received During Period of Nonresident Status			
61. Other (Specify) (See Instructions, Page 19)			
62. Total (Add Lines 56 Through 61) (Enter on Page 1, Line 4)			

PENSION EXCLUSION COMPUTATION (For use only if 65 or over, or totally disabled — See Instructions, Page 19)

	COLUMN A	COLUMN B
63. Net Taxable Pension and Retirement Annuity Included as Income in Federal Return	\$	\$
64. Maximum Allowable Exclusion from original return	\$	\$
65. Benefits Received Under the Social Security Act and/or the Railroad Retirement Act	\$	\$
66. Tentative Exclusion (Subtract Line 65 from Line 64)	\$	\$
67. Modification (Subtraction) to Federal Adjusted Gross Income (Line 63 or Line 66 Whichever is Less) Show Amount on Schedule D Line 57 Above	\$	\$

EXPLANATION OF CHANGES to Income, Deductions, and Credits. Show computations in detail. Attach another sheet if needed.

* ADDITIONAL INCOME OF 76600 - LOAN FROM PENSION PLAN RE-CHARACTERIZED AS A TAXABLE DISTRIBUTION

INCOME TAX RETURNS

RICHARD SHOFER

1985

**DEFENDANT'S
EXHIBIT**

15

HARVEY M. NEWMAN, CPA
GERALD L. GRABUSH, CPA
BARRY B. BONDOROFF, CPA
PHILIP I. MATZ, CPA
NORMAN N. POLONSKY, CPA
KENNETH E. LARASH, CPA
ALLEN M. SCHIFF, CPA

Grabush, Newman & Co., P.A.
Certified Public Accountants

Office of the Comptroller
Income Tax Division
State Income Tax Building
Annapolis, Maryland 21401

Re: *RICHARD SHO FER*
219-28-1068

Gentlemen:

An additional extension of time until October 15, 1986 is hereby requested
in order to file Form 502 for the year 1985 for the above mentioned taxpayer.

Federal Form 2688 is attached.

Sincerely,

GRABUSH, NEWMAN & CO., P.A.

Kenneth E. Larash CPA 8/14/86

**Application for Automatic Extension of Time
 To File U.S. Individual Income Tax Return**

1985

71

Please Type or Print	Your first name and initial (if joint return, also give spouse's name and initial)	Last name	Your social security number
	RICHARD SHOFER		219-28-1068
	Present home address (Number and street, including apartment number, or rural route)		Spouse's social security no.
216 ST. DUNSTONS RD			
City, town or post office, state, and ZIP code			
BALTIMORE MARYLAND 21212			

Note: File this form with the Internal Revenue Service Center where you must file your income tax return and pay the amount shown on line 6 below. This is not an extension of time for payment of tax. You will be charged a penalty for late payment of tax and late filing unless you show reasonable cause for not paying or filing on time (see instructions).

If you expect to file a gift tax return (Form 709 or Form 709-A) for 1985, generally due by April 15, 1986, check this box
 I request an automatic 4-month extension of time to August 15, 1986, to file Form 1040A or Form 1040 for the calendar year 1985 (or if a fiscal year Form 1040 to 19....., for the tax year ending 19.....).

1	Total income tax liability for 1985. (You may estimate this amount.) Note: You must enter an amount on line 1. If you do not expect to owe tax, enter zero (0).	1	- 0 -
2	Federal income tax withheld	2	17000
3	1985 estimated tax payments (include 1984 overpayment allowed as a credit)	3	
4	Other payments and credits you expect to show on Form 1040A or Form 1040	4	
5	Add lines 2, 3, and 4	5	17000
6	Income tax balance due (subtract line 5 from line 1). Pay in full with this form (if the amount is more than line 1, enter zero (0)).	6	NONE
7	Total gift tax you expect to owe for 1985 (see instructions)	7	NONE

OFFICE OF THE DISTRICT CASHIERS
 RECEIVED
 APR 15 1986
 52 DISTRICT DIR. INT. REV
 NO. 1 BALTIMORE NO. 1

If you send only one check for both income and gift tax due, attach a statement showing how much of the check applies to each type of tax.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and, if prepared by someone other than the taxpayer, that I am authorized to prepare this form.

Signature of taxpayer _____ Date _____

Signature of spouse _____ Date _____
 (If filing jointly, BOTH must sign even if only one had income)

Signature of preparer other than taxpayer Norman Edwards Date 4/15/86

General Instructions

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose of Form.—Use Form 4868 to ask for an automatic 4-month extension of time to file Form 1040A or Form 1040. The 4-month extension period includes the automatic 2-month extension granted to U.S. citizens and resident aliens who are

living or traveling outside the United States and Puerto Rico on the due date for filing their returns. Do not file this form if:

- You want the IRS to figure your tax, or
- You are under a court order to file your return by the regular due date.

The extension will be granted if you complete this form properly, file it on time, and pay with it the amount of tax shown on line 6. We will notify you only if your request for an extension is denied.

Note: Any extension of time granted for filing your 1985 calendar year income tax return also extends the time for filing a gift tax return for 1985.

Filing Form 2688.—Except in cases of undue hardship, we will not accept Form 2688, Application for Extension of Time To File U.S. Individual Income Tax Return, until you have first used Form 4868.

If you have filed Form 4868 and still need more time, use Form 2688 or write a letter of explanation. You must show reasonable cause. Send Form 2688 or the letter to the Internal Revenue Service Center where you file your Form 1040A or Form 1040. (See Where to File.)

If you need a further extension, ask for it early so that, if denied, you can still file your return on time.

If the copy of this form is to be returned to you at an address other than that shown on page 1, or to an agent acting for you, please enter the name of the agent and/or the address where the copy should be sent.

Please Type or Print	Name GRABUSH, NEWMAN & CO., P.A.
	Number and street SUITE 350, THE QUADRANGLE THE VILLAGE OF CROSS KEYS
	City, town or post office, state, and ZIP code BALTIMORE, MARYLAND 21210

Note:

- A. You may not choose to have IRS figure your income tax if you file your return after the regular due date.
B. This is not an extension of time to pay tax. You will be charged a penalty for late payment of tax unless you show reasonable cause for not paying the tax when due.

General Instructions

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose of Form.—Use Form 2688 to ask for an additional extension of time to file Form 1040A or Form 1040 if you have already filed Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return, to get an automatic 4-month extension of time, but still need more time. Except in cases of undue hardship, do not file Form 2688 unless you have first filed Form 4868.

You must file Form 2688 on time and show reasonable cause why you cannot file your return within the 4-month extension period allowed by properly filing Form 4868. Generally, we will consider your application based on your efforts to meet the filing requirements, rather than on the convenience of your tax return preparer. However, if your tax return preparer is not able to complete the return by the due date for reasons beyond his or her control, or if in spite of reasonable efforts you cannot get professional help in time to file, we will generally grant the additional extension.

Note: Any extension of time granted for filing your 1985 calendar year income tax return also extends the time for filing a gift tax return for 1985.

Filing Form 2350.—If you are a U.S. citizen or resident alien living abroad who expects to qualify for special tax treatment, file Form 2350, Application for Extension of Time To File U.S. Income Tax Return, to ask for an extension of time to file your Form 1040. See Publication 54, Tax Guide for U.S. Citizens and Resident Aliens Abroad, for more information.

Period of Extension.—We cannot grant an extension of more than 6 months if you live in the United States. The 6-month extension period granted includes the 4 months granted if Form 4868 was previously filed.

When to File.—File Form 2688 by the due date of your return (April 15, 1986, for a 1985 calendar year return), or extended due date if Form 4868 was previously filed. U.S. citizens and resident aliens living or traveling outside the United States and Puerto Rico on the due date of their return are automatically allowed a 2-month extension (to June 15 for a calendar year return).

File early enough so that we will have time to act on your application before your return's regular or extended due date.

Where to File.—File the original and one copy of Form 2688 with the Internal Revenue Service Center where you are required to file your return.

Penalties.—You may be charged one or both of the following penalties.

Late payment penalty.—Form 2688 does not extend the time to pay income or gift tax. A penalty of 1/2 of 1% of any tax (other than estimated tax) not paid by the regular due date is charged for each month, or part of a month, that the tax remains unpaid, unless you can show reasonable cause for not paying on time. The penalty is limited to 25%.

Late filing penalty.—A penalty is charged if your return is filed after the due date (including extensions) unless you can show reasonable cause for filing late. The penalty is 5% of the tax not paid by the regular due date for each month, or part of a month, that your return is late. The penalty is limited to 25%. If your return is more than 60 days late, the penalty will not be less than \$100 or the balance of tax due on your return, whichever is smaller.

Interest.—Interest is charged on the tax not paid by the regular due date of your return until it is paid. It will be charged even if you have been granted an extension, or if you can show reasonable cause for not paying the tax on time.

Line-by-Line Instructions

At the top of this form, fill in the spaces for your name, address, social security number, and spouse's social security number if you are filing a joint return. If you expect to file a gift tax return (Form 709 or Form 709-A) for 1985, check the box on the front of this form.

Line 4.—Clearly describe the reasons that will cause your delay in filing your return. We cannot accept incomplete reasons, such as "illness" or "practitioner too busy," without adequate explanations. If it is clear that an application was made for no important reason, but only to gain time, both the application and the 10-day grace period will be denied.

If, because of undue hardship, you use this form to ask for an extension of time beyond the regular due date of your return, clearly explain your reasons and attach all supporting information to the form.

Caution: If an extension is granted and the IRS later determines that the statements made on this form are false and misleading, the extension is null and void. You will be subject to the late filing penalty, explained above.

Signature by Taxpayers.—Generally, both spouses must sign this form for the extension to be valid if a joint return is to be filed. But if one spouse cannot sign because of illness, absence, or other good cause, the other spouse may sign for both, provided a proper explanation is attached explaining why that spouse cannot sign this form.

Signature by Other than Taxpayer.—Persons who may sign for the taxpayers include attorneys or certified public accountants qualified to practice before the IRS, enrolled agents, or any person holding a power of attorney. If the taxpayer cannot sign because of illness, absence, or other good cause, a person in close personal or business relationship to the taxpayer may sign provided a proper explanation is attached as to why the taxpayer cannot sign this form. It is not necessary that such person hold a power of attorney.

How to Claim Credit for Payment Made With This Form.—If you file Form 1040A and are making a payment with Form 2688, include the amount of the payment in the total on Form 1040A, line 25. Also write "Form 2688" and the amount paid in the space to the left of line 25. If you file Form 1040 and are making a payment with Form 2688, include the amount of the payment on Form 1040, line 60. Also write "Form 2688" and the amount paid in the space to the left of line 60.

Control number		OMB No. 1545-0008	
2 Employer's name, address, and ZIP code Catalina Enterprises, Inc. Crown Motors 5006 Liberty Heights Avenue Baltimore, Maryland 21207		3 Employer's identification number 33-0620443	4 Employer's State number 187544-6
8 Employee's social security number 219-28-1068	9 Federal income tax withheld 17,000.00	10 Wages, tips, other compensation 200,000.00	7 Advance EIC payment 0.00
12 Employee's name, address, and ZIP code Richard Shefer 216 St. Dunstons Road Baltimore, Maryland 21212		13 Social security wages 39,600.00	11 Social security tax withheld 2791.80
		17 State income tax 1208.20	18 State wages, tips, etc. 200,000.00
		20 Local income tax	19 Name of State Md
		21 Local wages, tips, etc.	22 Name of local jurisdiction

Form W-2 Wage and Tax Statement 1985

Copy C For EMPLOYEE'S RECORDS

This information is being furnished to the Internal Revenue Service.

Department of the
Internal Revenue

Form **1040** Department of the Treasury—Internal Revenue Service **1985** (X)
U.S. Individual Income Tax Return

For the year January 1-December 31, 1985, or other tax year beginning 1985, ending 19 OMB No. 1545-007

Use IRS label. Otherwise, please print or type.	Your first name and initial (if joint return, also give spouse's name and initial) RICHARD	Last name SHOFER	Your social security number 219 28 106
	Present home address (number and street, including apartment number, or rural route) 216 ST. DUNSTAN RD		Spouse's social security num
	City, town or post office, state, and ZIP code BALTIMORE MD 21212		Your occupation CORP EXECUTIVE

Presidential Election Campaign Do you want \$1 to go to this fund? Yes No
 If joint return, does your spouse want \$1 to go to this fund? Yes No
 Note: Checking "Yes" will not change your tax reduce your return.

Filing Status

1	<input type="checkbox"/>	Single
2	<input type="checkbox"/>	Married filing joint return (even if only one had income)
3	<input type="checkbox"/>	Married filing separate return. Enter spouse's social security no. above and full name here.
4	<input checked="" type="checkbox"/>	Head of household (with qualifying person). (See page 5 of Instructions.) If the qualifying person is your unmarried child but not your dependent, write child's name here.
5	<input type="checkbox"/>	Qualifying widow(er) with dependent child (year spouse died \blacktriangleright 19). (See page 6 of Instructions.)

Exemptions

6a	<input checked="" type="checkbox"/>	Yourself	<input type="checkbox"/>	65 or over	<input type="checkbox"/>	Blind	Enter number of boxes checked on 6a and b \blacktriangleright
b	<input type="checkbox"/>	Spouse	<input type="checkbox"/>	65 or over	<input type="checkbox"/>	Blind	
c	First names of your dependent children who lived with you ANDY DAVID						Enter number of children listed on 6c \blacktriangleright
d	First names of your dependent children who did not live with you (see page 6). (If pre-1985 agreement, check here <input type="checkbox"/>)						Enter number of children listed on 6d \blacktriangleright
e	(1) Name		(2) Relationship	(3) Number of months lived in your home	(4) Did dependent have income of \$1,040 or more?	(5) Did you provide more than one-half of dependent's support?	Enter number of other dependents \blacktriangleright
f	Total number of exemptions claimed (also complete line 36).						Add numbers entered in boxes above \blacktriangleright

Income

7	Wages, salaries, tips, etc. (Attach Form(s) W-2).	7	200 000
8	Interest income (also attach Schedule B if over \$400)	8	155
9a	Dividends (also attach Schedule B if over \$400)	9a	
9b	Exclusion	9b	
9c	Subtract line 9b from line 9a and enter the result.	9c	
10	Taxable refunds of state and local income taxes, if any, from the worksheet on page 9 of Instructions.	10	
11	Alimony received	11	
12	Business income or (loss) (attach Schedule C)	12	
13	Capital gain or (loss) (attach Schedule D)	13	< 3 000 >
14	40% of capital gain distributions not reported on line 13 (see page 9 of Instructions)	14	
15	Other gains or (losses) (attach Form 4797)	15	
16	Fully taxable pensions, IRA distributions, and annuities not reported on line 17 (see page 9)	16	3 400
17a	Other pensions and annuities, including rollovers. Total received	17a	
17b	Taxable amount, if any, from the worksheet on page 10 of Instructions	17b	
18	Rents, royalties, partnerships, estates, trusts, etc. (attach Schedule E)	18	< 4 588.1 >
19	Farm income or (loss) (attach Schedule F)	19	
20a	Unemployment compensation (insurance). Total received	20a	
20b	Taxable amount, if any, from the worksheet on page 10 of Instructions	20b	
21a	Social security benefits (see page 10). Total received	21a	
21b	Taxable amount, if any, from worksheet on page 11. { Tax-exempt interest }	21b	
22	Other income (list type and amount—see page 11 of Instructions)	22	
23	Add lines 7 through 22. This is your total income	23	154 674

Adjustments to Income

24	Moving expense (attach Form 3903 or 3903F)	24	
25	Employee business expenses (attach Form 2106)	25	
26	IRA deduction, from the worksheet on page 12	26	
27	Keogh retirement plan deduction	27	
28	Penalty on early withdrawal of savings	28	
29	Alimony paid (recipient's last name _____ and social security no. _____)	29	
30	Deduction for a married couple when both work (attach Schedule W)	30	
31	Add lines 24 through 30. These are your total adjustments	31	

Adjusted Gross Income

32	Subtract line 31 from line 23. This is your adjusted gross income. If this line is less than \$11,000 and a child lived with you, see "Earned Income Credit" (line 59) on page 16 of Instructions. If you want IRS to figure your tax, see page 13 of Instructions	32	154 674
----	--	----	---------

Tax Computation

See instructions on page 13.)

33	Amount from line 32 (adjusted gross income)				33	154674	
34a	If you itemize, attach Schedule A (Form 1040) and enter the amount from Schedule A, line 26 Caution: If you have unearned income and can be claimed as a dependent on your parents' return, check here <input type="checkbox"/> and see page 13 of Instructions. Also see page 13 if you are married filing a separate return and your spouse itemizes deductions, or you are a dual-status alien.				34a	21852	
b	If you do not itemize but you made charitable contributions, enter your cash contributions here. (If you gave \$3,000 or more to any one organization, see page 14.)	34b					
c	Enter your noncash contributions (you must attach Form 8283 if over \$500)	34c					
d	Add lines 34b and 34c. Enter the total	34d					
e	Divide the amount on line 34d by 2. Enter the result here				34e		
35	Subtract line 34a or line 34e, whichever applies, from line 33				35	72822	
36	Multiply \$1,040 by the total number of exemptions claimed on line 6f (see page 14)				36	3120	
37	Taxable income. Subtract line 36 from line 35. Enter the result (but not less than zero)				37	69702	
38	Enter tax here. Check if from <input type="checkbox"/> Tax Table, <input checked="" type="checkbox"/> Tax Rate Schedule X, Y, or Z, or <input type="checkbox"/> Schedule G				38	21067	
39	Additional taxes. (See page 14 of Instructions.) Enter here and check if from <input type="checkbox"/> Form 4970, <input type="checkbox"/> Form 4972, or <input type="checkbox"/> Form 5544.				39		
40	Add lines 38 and 39. Enter the total				40	21067	

Credits

(See instructions on page 14.)

41	Credit for child and dependent care expenses (attach Form 2441)	41					
42	Credit for the elderly and the permanently and totally disabled (attach Schedule R)	42					
43	Residential energy credit (attach Form 5695)	43					
44	Partial credit for political contributions for which you have receipts	44					
45	Add lines 41 through 44. These are your total personal credits				45		
46	Subtract line 45 from line 40. Enter the result (but not less than zero)				46	21067	
47	Foreign tax credit (attach Form 1116)	47					
48	General business credit. Check if from <input type="checkbox"/> Form 3800, <input checked="" type="checkbox"/> Form 3468, <input type="checkbox"/> Form 5884, <input type="checkbox"/> Form 6478.	48	4161				
49	Add lines 47 and 48. These are your total business and other credits				49	4161	
50	Subtract line 49 from line 46. Enter the result (but not less than zero)				50	16906	

Other Taxes

(Including Advance EIC Payments)

51	Self-employment tax (attach Schedule SE)				51		
52	Alternative minimum tax (attach Form 6251)				52	2827	
53	Tax from recapture of investment credit (attach Form 4255)				53		
54	Social security tax on tip income not reported to employer (attach Form 4137)				54		
55	Tax on an IRA (attach Form 5329)				55		
56	Add lines 50 through 55. This is your total tax				56	19735	

Payments

Attach Forms W-2, W-2G, and W-2P to front.

57	Federal income tax withheld	57	17000				
58	1985 estimated tax payments and amount applied from 1984 return	58					
59	Earned income credit (see page 16)	59					
60	Amount paid with Form 4868	60					
61	Excess social security tax and RRTA tax withheld (two or more employers)	61					
62	Credit for Federal tax on gasoline and special fuels (attach Form 4136)	62					
63	Regulated Investment Company credit (attach Form 2439)	63					
64	Add lines 57 through 63. These are your total payments				64	17000	

Refund or Amount You Owe

65	If line 64 is larger than line 56, enter amount OVERPAID				65		
66	Amount of line 65 to be REFUNDED TO YOU				66		
67	Amount of line 65 to be applied to your 1986 estimated tax	67					
68	If line 56 is larger than line 64, enter AMOUNT YOU OWE. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number and "1986 Form 1040" on it Check <input type="checkbox"/> if Form 210 (3-78) is attached. See page 17. Penalty: \$				68	2735	

Please Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

COPY

Your signature _____ Date _____ Spouse's signature (if filing jointly, BOTH must sign) _____

Preparer's signature: Kenneth E. Edwards Date: 2-12-87 Check if self-employed: Preparer's social security no.: 214-50-8023

Firm's name (or yours, if self-employed) and address: GRABUSH, NEWMAN & CO., P. A., CPA
BALTIMORE, MARYLAND 21210
E. I. 52-1134882

SCHEDULES A&B
(Form 1040)

Department of the Treasury
Internal Revenue Service (01)

Schedule A—Itemized Deductions

(Schedule B is on back)

▶ Attach to Form 1040. ▶ See instructions for Schedules A and B (Form 1040).

OMB No. 1545-0074

1985
07

Name(s) as shown on Form 1040

RICHARD SHOFER

Your social security number

219 28 1068

Medical and Dental Expenses (Do not include expenses reimbursed or paid by others.) (See instructions on page 19.)	1	Prescription medicines and drugs; and insulin	1				
	2	a Doctors, dentists, nurses, hospitals, insurance premiums you paid for medical and dental care, etc.	2a	15313	1		
		b Transportation and lodging	2b				
		c Other (list—include hearing aids, dentures, eyeglasses, etc.)	2c				
	3	Add lines 1 through 2c, and write the total here	3	15313			
	4	Multiply the amount on Form 1040, line 33, by 5% (.05)	4	7754			
	5	Subtract line 4 from line 3. If zero or less, write -0-. Total medical and dental.	5		7579	-	
Taxes You Paid (See instructions on page 20.)	6	State and local income taxes	6	6745	-		
	7	Real estate taxes	7	4339	-		
	8	a General sales tax (see sales tax tables in instruction booklet)	8a	1300	1		
		b General sales tax on motor vehicles	8b				
	9	Other taxes (list—include personal property taxes) ▶ REAL ESTATE TAXES FROM SCHEDULE F	9	518			
10	Add the amounts on lines 6 through 9. Write the total here. Total taxes.	10			11866	1	
Interest You Paid (See instructions on page 20.)	11	a Home mortgage interest you paid to financial institutions	11a	20051	1		
		b Home mortgage interest you paid to individuals (show that person's name and address) ▶ POINTS AMORTIZATION MORTGAGE INTEREST FROM SCHEDULE E	11b	23195			
	12	Total credit card and charge account interest you paid	12	376			
	13	Other interest you paid (list) ▶ GROUND RENT INTEREST ON STATE PROP. TAX OTHER INTEREST FROM SCHEDULE E CALIFORNIA GRAIN CO-OP INTEREST FROM FORM 4952	13	18544			
	14	Add the amounts on lines 11a through 13. Write the total here. Total interest.	14			64315	1
Contributions You Made (See instructions on page 21.)	15	a Cash contributions. (If you gave \$3,000 or more to any one organization, report those contributions on line 15b.)	15a	160	1		
		b Cash contributions totaling \$3,000 or more to any one organization. (Show to whom you gave and how much you gave.) ▶	15b				
	16	Other than cash. (You must attach Form 8283 if over \$500.)	16				
	17	Carryover from prior year	17				
18	Add the amounts on lines 15a through 17. Write the total here. Total contributions.	18			160	1	
Casualty and Theft Losses	19	Total casualty or theft loss(es). (You must attach Form 4684 or similar statement.) (See page 21 of Instructions.)	19				
Miscellaneous Deductions (See instructions on page 21.)	20	Union and professional dues	20				
	21	Tax return preparation fee	21				
	22	Other (list type and amount) ▶ BUSINESS PUBLICATIONS	22	314			
	23	Add the amounts on lines 20 through 22. Write the total here. Total miscellaneous.	23			322	1
Summary of Itemized Deductions (See instructions on page 22.)	24	Add the amounts on lines 5, 10, 14, 18, 19, and 23. Write your answer here.	24			84242	-
	25	If you checked Form 1040 { Filing Status box 2 or 5, write \$3,540 } { Filing Status box 1 or 4, write \$2,390 } { Filing Status box 3, write \$1,770 }	25			2390	-
	26	Subtract line 25 from line 24. Write your answer here and on Form 1040, line 34a. (If line 25 is more than line 24, see the instructions for line 26 on page 22.)	26			81852	-

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side.)

Your social security number

RICHARD SHOPPE

219 | 28 | 1068

**Part I
Interest
Income**

If you received more than \$400 in interest income, you must complete Part I and list ALL interest received. If you received interest as a nominee for another, or you received or paid accrued interest on securities transferred between interest payment dates, see page 22.

(See Instructions on pages 8 and 22.)

Also complete Part III.

Interest income		Amount
1	Interest income from seller-financed mortgages. (See Instructions and show name of payer.) ▶	
2	2 Other interest income (list name of payer) ▶	
	YORK RIDGE - CALVERT	113
	SENTINEL TITLE / FIRST NAT'L BANK	42
3	3 Add the amounts on lines 1 and 2. Write the total here and on Form 1040, line 8 ▶	155

**Part II
Dividend
Income**

If you received more than \$400 in gross dividends and other distributions on stock, or you are electing to exclude qualified reinvested dividends from a public utility, complete Part II. If you received dividends as a nominee for another, see page 23.

(See Instructions on pages 8 and 22.)

Also complete Part III.

Dividend income		Amount
4	4 Dividend income (list name of payer—include on line 4 capital gain distributions, nontaxable distributions, etc.) ▶	
5	5 Add the amounts on line 4. Write the total here	
6	6 Capital gain distributions. Enter here and on line 15, Schedule D.*	
7	7 Nontaxable distributions. (See Schedule D Instructions for adjustment to basis.)	
8	8 Exclusion of qualified reinvested dividends from a public utility. (See page 23 of Instructions.)	
9	9 Add the amounts on lines 6, 7, and 8. Write the total here	
10	10 Subtract line 9 from line 5. Write the result here and on Form 1040, line 9a ▶	

*If you received capital gain distributions for the year and you do not need Schedule D to report any other gains or losses, do not file that schedule. Instead, enter 40% of your capital gain distributions on Form 1040, line 14.

**Part III
Foreign
Accounts
and
Foreign
Trusts**

(See Instructions on page 23.)

If you received more than \$400 of interest or dividends, OR if you had a foreign account or were a grantor of, or a transferor to, a foreign trust, you must answer both questions in Part III.		Yes	No
11	11 At any time during the tax year, did you have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 23 of the Instructions for exceptions and filing requirements for Form TD F 90-22.1.)		
	If "Yes," write the name of the foreign country ▶		
12	12 Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? If "Yes," you may have to file Forms 3520, 3520-A, or 926.		

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

SCHEDULE D
(Form 1040)

Capital Gains and Losses
and Reconciliation of Forms 1099-B

OMB No. 1545-0074

1985

Department of the Treasury
Internal Revenue Service (0)

▶ Attach to Form 1040. ▶ See instructions for Schedule D (Form 1040).

12

Name(s) as shown on Form 1040

RICHARD SHOFER

Your social security number

219 : 28 : 10 68 ~

Part I Summary of Forms 1099-B for Sales of Stocks, Bonds, Etc.

1a Report here and on line 37, Part VII, page 2, total sales of stocks, bonds, etc., reported for 1985 by your broker to you on Form(s) 1099-B or an equivalent substitute statement(s), such as a broker's confirmation statement

Note: Also complete Part VII if you received one or more Form(s) 1099-B or equivalent statement(s) for 1985, for bartering income.

1a	

Part II Short-term Capital Gains and Losses-Assets Held Six Months or Less (one year or less if acquired before 6/23/84)

(a) Description of property (Example, 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Gross sales price	(e) Cost or other basis (see instructions)	(f) LOSS If column (e) is more than (d) subtract (d) from (e)	(g) GAIN If column (d) is more than (e) subtract (e) from (d)
1b						

2 Short-term gain from sale or exchange of a principal residence from Form 2119, lines 6 or 12	2	
3 Short-term gain from installment sales from Form 6252, lines 22 or 30	3	
4 Net short-term gain or (loss) from partnerships, S corporations, and fiduciaries	4	
5 Add lines 1b through 4 in columns (f) and (g)	5	()
6 Combine columns (f) and (g) of line 5 and enter the net gain or (loss)	6	
7 Short-term capital loss carryover from years beginning after 1969	7	()
8 Net short-term gain or (loss), combine lines 6 and 7	8	

Part III Long-term Capital Gains and Losses-Assets Held More Than Six Months (more than one year if acquired before 6/23/84)

9						

10 Long-term gain from sale or exchange of a principal residence from Form 2119, lines 6, 8, or 12	10	
11 Long-term gain from installment sales from Form 6252, lines 22 or 30	11	
12 Net long-term gain or (loss) from partnerships, S corporations, and fiduciaries	12	
13 Add lines 9 through 12 in columns (f) and (g)	13	()
14 Combine columns (f) and (g) of line 13 and enter the net gain or (loss)	14	
15 Capital gain distributions	15	
16 Enter gain from Form 4797, lines 6 or 8b	16	
17 Combine lines 14 through 16	17	
18 Long-term capital loss carryover from years beginning after 1969	18	(78399)
19 Net long-term gain or (loss), combine lines 17 and 18	19	< 78399 >

Note: Complete the back of this form. However, if you have capital loss carryovers from years beginning before 1970, do not complete Parts IV or V. See Form 4798 instead.

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side)

Your social security number

RICHARD SHOFER

219;28;1068

Part IV Summary of Parts II and III

20	Combine lines 8 and 19, and enter the net gain or (loss) here <i>Note: If line 20 is a loss, skip lines 21 through 23 and complete lines 24 and 25. If line 20 is a gain, complete lines 21 through 23 and skip lines 24 and 25.</i>	20	78399
21	If line 20 shows a gain, enter the smaller of line 19 or line 20. Enter zero if there is a loss or no entry on line 19.	21	
22	Enter 60% of line 21 <i>If line 22 is more than zero, you may be liable for the alternative minimum tax. See Form 6251.</i>	22	
23	Subtract line 22 from line 20. Enter here and on Form 1040, line 13.	23	
24	If line 20 shows a loss, enter one of the following amounts: a If line 8 is zero or a net gain, enter 50% of line 20; b If line 19 is zero or a net gain, enter line 20; or c If line 8 and line 19 are net losses, enter amount on line 8 added to 50% of the amount on line 19	24	39200
25	Enter here and as a loss on Form 1040, line 13, the smallest of: a The amount on line 24; b \$3,000 (\$1,500 if married and filing a separate return); or c Taxable income, as adjusted.	25	3000

Part V Computation of Post-1969 Capital Loss Carryovers from 1985 to 1986
(Complete this part if the loss on line 24 is more than the loss on line 25)

26	Enter loss shown on line 8; if none, enter zero and skip lines 27 through 30, then go to line 31.	26	- 0 -
27	Enter gain shown on line 19. If that line is blank or shows a loss, enter zero.	27	
28	Subtract line 27 from line 26.	28	
29	Enter smaller of line 25 or line 28.	29	
30	Subtract line 29 from line 28. This is your short-term capital loss carryover from 1985 to 1986.	30	
31	Subtract line 29 from line 25. (Note: If you skipped lines 27 through 30, enter amount from line 25.)	31	3000
32	Enter loss from line 19; if none, enter zero and skip lines 33 through 36.	32	78399
33	Enter gain shown on line 8. If that line is blank or shows a loss, enter zero.	33	-
34	Subtract line 33 from line 32.	34	78399
35	Multiply amount on line 31 by 2.	35	6000
36	Subtract line 35 from line 34. This is your long-term capital loss carryover from 1985 to 1986.	36	72399

Part VI Complete This Part Only If You Elect Out of the Installment Method and Report a Note or Other Obligation at Less Than Full Face Value

Check here if you elect out of the installment method.

Enter the face amount of the note or other obligation. ▶

Enter the percentage of valuation of the note or other obligation. ▶

Part VII Reconciliation of Forms 1099-B With Tax Return (Complete this part if you received one or more Form(s) 1099-B or an equivalent broker's substitute statement(s) reporting sales of stock, bonds, etc., or bartering income.)

SECTION A.—Reconciliation of Sales of Stocks, Bonds, etc.

37	Total sales of stock, bonds, etc., reported for 1985 by your broker to you, on Form(s) 1099-B or an equivalent substitute statement(s), such as a broker's confirmation statement. Also include on line 1a, page 1, Part I.	37	
38	Proceeds from sale or exchange of capital assets reported on Schedule D, but not included in line 37.	38	
39	Add lines 37 and 38.	39	
40	Part of line 37 not reported on Schedule D this year (attach explanation).	40	
41	Subtract line 40 from line 39. <i>Note: The amount on line 41 should be the same as the total of all amounts on page 1, lines 1b and 9 of column (d).</i>	41	

SECTION B.—Reconciliation of Bartering Income

Indicate below, the amount of bartering income reported on each form or schedule.

	Amount of bartering from Form 1099-B or equivalent statement
42 Form 1040, line 22.	42
43 Schedule C (Form 1040)	43
44 Schedule D (Form 1040)	44
45 Schedule E (Form 1040)	45
46 Schedule F (Form 1040)	46
47 Other (identify) (if not taxable, indicate reason—attach additional sheets if necessary) ▶	47
48 Total (add lines 42 through 47)	48

Note: The amount on line 48 should be the same as the total bartering on all Forms 1099-B or equivalent statements received.

Supplemental Income Schedule
(From rents and royalties, partnerships, estates, and trusts, etc.)

▶ Attach to Form 1040. ▶ See Instructions for Schedule E (Form 1040).

Name(s) as shown on Form 1040: RICHARD SHOFER
Your social security number: 219-28-1068

Part I Rental and Royalty Income or Loss

1 In the space provided below, show the kind and location of each rental property.
2 For each property listed, did you or a member of your family use for personal purposes any of the properties for more than the greater of 14 days or 10% of the total days rented at fair rental value during the tax year?

	Yes	No
Property A. <u>GAS STATION 5000 LIBERTY ROAD - COMMERCIAL</u>		✓
Property B. <u>UNIT 15 L MAHOGANY RUN</u>		✓
Property C. <u>UNIT 29 H MAHOGANY RUN</u>		✓

	Properties			Totals (Add columns A, B, and C)
	A	B	C	
3 a Rents received	-0-	12335	2375	3 14710
b Royalties received				
Rental and Royalty Expenses				
4 Advertising		see schedule	see schedule	
5 Auto and travel			867	
6 Cleaning and maintenance				
7 Commissions		1179		
8 Insurance				
9 Legal and other professional fees				
10 Mortgage interest paid to financial institutions (see instructions)		5174	2910	10 8084
11 Other interest		1	25	
12 Repairs		418	3802	
13 Supplies		124		
14 Taxes (Do not include Windfall Profit Tax here. See Part III, line 34.)	1432	(71)	(94)	
15 Utilities		799	1442	
16 Wages and salaries				
17 Other (list) ▶ ASSOCIATION DUES		2414	2424	
TELEPHONE		407		
MANAGEMENT FEE		3818		
INSURANCE		117	290	
AMORTIZATION			18	
18 Total expenses other than depreciation and depletion. Add lines 4 through 17.	1432	14380	11684	18 27496
19 Depreciation expense (see Part V Instructions), or depletion	1586	13667	17842	19 33095
20 Total. Add lines 18 and 19	3018	28047	29526	
21 Income or (loss) from rental or royalty properties. Subtract line 20 from line 3a (rents) or 3b (royalties)	(3018)	(15712)	(27151)	
22 Add properties with profits on line 21, and write the total profits here				22
23 Add properties with losses on line 21, and write the total (losses) here				23 < 45881 - >
24 Combine amounts on lines 22 and 23, and write the net profit or (loss) here				24 < 45881 > -
25 Net farm rental profit or (loss) from Form 4835, line 35				25
26 Total rental or royalty income or (loss). Combine amounts on lines 24 and 25, and write the total here. If Parts II and III on page 2 do not apply to you, write the amount from line 26 on Form 1040, line 18. Otherwise, include the amount in line 36 on page 2 of Schedule E.				26 (45881)

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side)

Your social security number

RICHARD SHOFEE

219 28 1068

Income or Losses from Partnerships, S Corporations, Estates, or Trusts

If you report a loss below, and have amounts invested in that activity for which you are not at risk, you may have to file Form 6198. See instructions.

Partnerships and S Corporations

Table with 6 columns: (a) Name, (b) Enter appropriate code, (c) Check if foreign partnership, (d) Employer identification number, (e) Net loss, (f) Net income. Includes summary rows 27-30.

Estates and Trusts

Table with 6 columns: (a) Name, (b), (c), (d) Employer identification number, (e) Net loss, (f) Net income. Includes summary rows 31-32.

Part III Windfall Profit Tax Summary

Table with 3 rows: 33 Windfall profit tax credit or refund received in 1985, 34 Windfall profit tax withheld in 1985, 35 Combine amounts on lines 33 and 34.

Part IV Summary

Table with 3 rows: 36 TOTAL income or (loss), 37 Farmers and fishermen: Write your share of GROSS FARMING AND FISHING INCOME.

Part V Optional Depreciation Worksheet.—You may use this worksheet to figure depreciation only on property placed in service before 1981.

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Cost or other basis, (d) Depreciation allowed or allowable in prior years, (e) Depreciation method, (f) Life or rate, (g) Depreciation for this year. Includes rows for Property A and Property C.

RICHARD SHOFER

1040 Schedule E

219-28-10

(1)	(2)	(3)	(4)	(5)	(6)	(7)
ALLOCATION OF EXPENSES						
	UNIT ISL	MAHOGANY	RUN			
		EXPENSES AT 100%	RATIO TO DETERMINE SCHEDULE E EXPENSE	DEDUCTIBLE EXPENSE FOR SCHEDULE E		
		1179	108	1179		
		17486	367	5174	12312	SCHEDULE
		5	108	1	4	SCHEDULE
		441	108	418		
		132	108	124		
		(239)	367	(71)	(168)	SCHEDULE
		851	108	799		
		2570	108/115	2414		
		433		407		
		4065		3818		
		125		117		
		14513		13667		
	TOTAL	41605		28047		

(A) FOR INTEREST AND TAXES DAYS ROUNDED TO TOTAL DAYS

(B) FOR OTHER SERVICES DAYS ROUNDED TO (DAY RENTALS + PERSONAL DAYS)

DAYS RENTED AT FAIR VALUE 108
 DAYS USED FOR PERSONAL USE 7

RICHARD SHOFE

1040 SCHEDULE E

219-28-106

ALLOCATION OF EXPENSES		(1)	(2)	(3)	(4)	(5)	(6)	(7)
UNIT 29M MAHOGANY RUN								
		EXPENSES AT 100%	RATIO TO DETERMINE SCHEDULE E EXPENSES	DEDUCTIBLE EXPENSES FOR SCHEDULE E				
TRAVEL		912.	(B) 77/81.	867.				
MORTGAGE INTEREST		13793.	(A) 77/365.	2910.	10883		SCHEDULE	
OTHER INTEREST		120.	77/365.	25.	95		SCHEDULE	
REPAIRS		3999.	77/81.	3802.				
TAXES		< 444 >	77/365.	< 94 >	< 350 >		SCHEDULE	
UTILITIES		1517.	77/81.	1442.				
ASSOCIATION DUES		2550.	77/81.	2424.				
INSURANCE		305.	77/81.	290.				
AMORTIZATION - PAINTS		86.	77/365.	18.	68		SCHEDULE	
DEPRECIATION		18769.	77/81.	17842.				
TOTAL		<u>41607</u>		<u>29526</u>				

- (A) FOR INTEREST & TAXES $\text{DAYS RENTED} \div \text{TOTAL DAYS}$
- (B) FOR OTHER EXPENSES $\text{DAYS RENTED} \div (\text{DAYS RENTED} + \text{PERSONAL USE})$

DAYS RENTED AT FAIR VALUE 77
 DAYS USED FOR PERSONAL USE 4

Sale or Exchange of Principal Residence

OMB No. 1545-0072

1985
 21

▶ See instructions on back.

▶ Attach to Form 1040 for year of sale (see instruction B).

Name(s) as shown on Form 1040.

RICHARD SHOFER

Your social security number

219;28;1068

Do not include expenses that you deduct as moving expenses.

1 a Date former residence sold ▶ 3-22-85

b Enter the face amount of any mortgage, note (for example, second trust), or other financial instrument on which you will receive periodic payments of principal or interest from this sale ▶ NONE

2 a If you bought or built a new residence, enter date you occupied it; otherwise enter "None" ▶ 2-28-84 Yes No

b Are any rooms in either residence rented out or used for business for which a deduction is allowed? (If "Yes," see instructions) Yes No

3 a Were you 55 or over on date of sale? Yes No

b Was your spouse 55 or over on date of sale? Yes No
 If you answered "No" to 3a and 3b, do not complete 3c through 3f and Part II.

c Did the person who answered "Yes" to 3a or 3b own and use the property sold as his or her principal residence for a total of at least 3 years (except for short absences) of the 5-year period before the sale? Yes No

d If you answered "Yes" to 3c, do you elect to take the once in a lifetime exclusion of the gain on the sale? Yes No

e At time of sale, was the residence owned by: you, your spouse, both of you? both of you

f Social security number of spouse, at time of sale, if different from number on Form 1040 ▶ (Enter "None" if you were not married at time of sale.) NONE

Part I Computation of Gain

4 Selling price of residence less expense of sale. (Do not include personal property items.)	<u>53128</u>	<u>1</u>
5 Basis of residence sold	<u>40302</u>	
6 Gain on sale (subtract line 5 from line 4). If zero or less, enter zero and do not complete the rest of form. Enter the gain from this line on Schedule D, line 2 or 10*, unless you bought another principal residence or checked "Yes" to 3d. Then continue with this form	<u>12826</u>	

If you haven't replaced your residence, do you plan to do so within the replacement period? (If "Yes" see instruction B.) Yes No

Part II Age 55 or Over One-Time Exclusion

Complete this part only if you checked "yes" to 3(d) to elect the once in a lifetime exclusion; otherwise, skip to Part III.

7 Enter the smaller of line 6 or \$125,000 (\$62,500, if married filing separate return)		
8 Gain (subtract line 7 from line 6). If zero, do not complete rest of form. Enter the gain from this line on Schedule D, line 10*, unless you bought another principal residence. Then continue with this form		

Part III Gain To Be Postponed and Adjusted Basis of New Residence

Complete this part if you bought another principal residence.

9 Fixing-up expenses (see instructions for time limits)	<u>1625</u>	<u>1</u>
10 Adjusted sales price (subtract line 9 from line 4)	<u>51503</u>	<u>1</u>
11 Cost of new residence	<u>208439</u>	<u>-</u>
12 Gain taxable this year (subtract line 11 plus line 7 (if applicable) from line 10). If result is zero or less, enter zero. Do not enter more than line 6 or line 8 (if applicable). Enter the gain from this line on Schedule D, line 2 or 10*	<u>-0-</u>	
13 Gain to be postponed (subtract line 12 from line 6. However, if Part II applies, subtract line 12 from line 8)	<u>12826</u>	
14 Adjusted basis of new residence (subtract line 13 from line 11)	<u>195613</u>	<u>1</u>

*Caution: If you completed Form 6252 for the residence in 1a, do not enter your taxable gain from Form 2119 on Schedule D.

Name(s) as shown on return: **RICHARD SHOFER**
 Identifying number: **219-28-1068**

Part I Elections (Check the box(es) below that apply to you (See Instruction D).)

- A** I elect to increase my qualified investment to 100% for certain commuter highway vehicles placed in service before January 1, 1986 (section 46(c)(6)).
- B** I elect to increase my qualified investment by all qualified progress expenditures made this and all later tax years.
 Enter total qualified progress expenditures included in column (4), Part II ▶
- C** I claim full credit on certain ships under section 46(g)(3) (See Instruction B for details.)

Part II Qualified Investment (See instructions for rules on automobiles and other property with any personal use)

1 Recovery Property		Line	(1) Class of Property	(2) Cost or Other Basis	(3) Applicable Percentage	(4) Qualified Investment (Column 2 x column 3)
Regular Percentage	New Property	(a)	3-year		60	
		(b)	Other	29606	100	29606
	Used Property	(c)	3-year		60	
		(d)	Other	12000	100	12000
Section 48(q) Election to Reduce Credit (instead of adjusting basis)	New Property	(e)	3-year		40	
		(f)	Other		80	
	Used Property	(g)	3-year		40	
		(h)	Other		80	

2 Nonrecovery property—Enter total qualified investment (See instructions for line 2)	2	
3 New commuter highway vehicle—Enter total qualified investment (See Instruction D(1)).	3	
4 Used commuter highway vehicle—Enter total qualified investment (See Instruction D(1))	4	
5 Total qualified investment in 10% property—Add lines 1(a) through 1(h), 2, 3, and 4 (See instructions for special limits)	5	41606
6 Qualified rehabilitation expenditures—Enter total qualified investment for:		
a 30-year-old buildings	6a	
b 40-year-old buildings	6b	
c Certified historic structures (You must attach NPS certification—see instructions)	6c	

Part III Tentative Regular Investment Credit

7 10% of line 5	7	4161
8 15% of line 6a	8	
9 20% of line 6b	9	
10 25% of line 6c	10	
11 Credit from cooperatives—Enter regular investment credit from cooperatives	11	
12 Regular investment credit—Add lines 7 through 11	12	4161
13 Business energy investment credit—From line 11 of Schedule B (see back of this form)	13	
14 Current year investment credit—Add lines 12 and 13	14	4161

Note: If you have a 1985 jobs credit (Form 5884), credit for alcohol used as fuel (Form 6478), or employee stock ownership plan (ESOP) credit (Form 8007) in addition to your 1985 investment credit, or if you have a carryback or carryforward of any general business credit, stop here and go to Form 3800, General Business Credit, to claim your 1985 investment credit. If you have only a 1985 investment credit (which may include business energy investment credit), you may continue with lines 15 through 20 to claim your credit.

Part IV Tax Liability Limitations

15 a Individuals—From Form 1040, enter amount from line 46	15	21067
b Corporations—From Form 1120, Schedule J, enter tax from line 3 (or Form 1120-A, Part I, line 1).		
c Other filers—Enter income tax before credits from return.		
16 a Individuals—From Form 1040, enter credit from line 47, plus any orphan drug, nonconventional source fuel, and research credits included on line 49	16	
b Corporations—From Form 1120, Schedule J, enter credits from lines 4(a) through 4(e) (Form 1120-A filers, enter zero)		
c Other filers—See instructions for line 16c		
17 Income tax liability as adjusted (subtract line 16 from line 15)	17	21067
18 a Enter smaller of line 17 or \$25,000. (See instructions for line 18)	18a	21067
b If line 17 is more than \$25,000—Enter 85% of the excess.	18b	
19 Investment credit limitation—Add lines 18a and 18b	19	21067
20 Total allowed credit—Enter the smaller of line 14 or line 19. This is your General Business Credit for 1985. Enter here and on Form 1040, line 48; Form 1120, Schedule J, line 4(f); Form 1120-A, Part I, line 2; or the proper line of other returns	20	4161

Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions

(And Computation of Recapture Amounts Under Sections 179 and 280F)

▶ Attach to your tax return. See Separate Instructions

Name(s) as shown on return

RICHARD SHOFE

Identifying number

219-28-1068

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty and Theft—Property Held More Than 6 months (More Than 1 Year If Acquired Before 6/23/84)

- Notes:**
- Use Form 4684 to report involuntary conversions from casualty and theft.
 - If you sold property that you claimed investment credit on, get Form 4255 to see if you are liable for recapture of the credit.
 - File Form 6198 if you are reporting a loss and have amounts invested in the activity for which you are not at risk. (See instructions under "Special Rules.")

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed (or allowable) since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) LOSS ((f) minus the sum of (d) and (e))	(h) GAIN ((d) plus (e) minus (f))
1							
2	Gain, if any, from Form 4684, Section B, line 21						
3	Section 1231 gain from installment sales from Form 6252, line 22 or 30						
4	Gain, if any, on line 31 from other than casualty and theft						
5	Add lines 1 through 4 in column (g) and column (h)						
6	Combine columns (g) and (h) of line 5. Enter gain or (loss) here, and on the appropriate line as follows (Partnerships see the instructions for your line references.):						
a	If line 6 is zero or a loss, enter the amount on line 9 below and skip lines 7 and 8. (S corporations, enter the loss on Schedule K (Form 1120S), line 5.)						
b	If line 6 is a gain, see the instructions under Part I, Nonrecaptured Net Section 1231 Losses.						
Note: If you had no prior year section 1231 losses and line 6 is a gain, enter the gain from line 6 as a long-term capital gain on Schedule D.							
7	Nonrecaptured net section 1231 losses from prior years. (See instructions.)						
8	Subtract line 7 from line 6. If zero or less, enter zero						
a	If line 8 is zero, enter the amount from line 6 on line 10 below.						
b	If line 8 is more than zero, enter the amount from line 7 on line 10 below, and enter the amount from line 8 as a long-term capital gain on Schedule D. See specific instructions for line 8b.						

Part II Ordinary Gains and Losses

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed (or allowable) since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) LOSS ((f) minus the sum of (d) and (e))	(h) GAIN ((d) plus (e) minus (f))
9	Loss, if any, from line 6						
10	Gain, if any, from line 6 or amount from line 7 if applicable						
11	Gain, if any, from line 30, Part III						
12	Net gain or (loss) from Form 4684, Section B, lines 13 and 20a						
13	Ordinary gain from installment sales from Form 6252, line 21 or 29 (Applies only to sales before 6/7/84)						
14	Recapture of section 179 deduction on property dispositions by partners and S corporation shareholders (see instructions)						
15	Other ordinary gains and losses (include property held 6 months or less (1 year or less if acquired before 6/23/84)):						
	FURNITURE	3-15-85	5-31-85	3000	3000		
16	Add lines 9 through 15 in column (g) and column (h)						
17	Combine columns (g) and (h) of line 16. Enter gain or (loss) here, and on the appropriate line as follows:						
a	For all except individual returns: Enter the gain or (loss) from line 17, on the return being filed. See instructions for Part II for specific line references.						
b	For individual returns:						
(1)	If the loss on line 9 includes a loss from Form 4684, Section B, Part II, column (b)(ii), enter that part of the loss here and on line 19 of Schedule A (Form 1040). Identify as from "Form 4797, line 17b(1)"						
(2)	Redetermine the gain or (loss) on line 17, excluding the loss (if any) on line 17b(1). Enter here and on Form 1040, line 15.						

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, 1255

Skip section 1252 on line 26 and in the instructions, if you did not dispose of farmland, or if a partnership files this form.

18 Description of sections 1245, 1250, 1252, 1254, and 1255 property:		Date acquired (mo., day, yr.)	Date sold (mo., day, yr.)		
A					
B					
C					
D					
Relate lines 18A through 18D to these columns		Property A	Property B	Property C	Property D
19	Gross sales price				
20	Cost or other basis plus expense of sale				
21	Depreciation (or depletion) allowed (or allowable)				
22	Adjusted basis, subtract line 21 from line 20				
23	Total gain, subtract line 22 from line 19				
24 If section 1245 property:					
a Depreciation allowed (or allowable) (see instructions)					
b Enter smaller of line 23 or 24a					
25 If section 1250 property: (If straight line depreciation used, enter zero on line 25g unless you are a corporation subject to section 291.)					
a Additional depreciation after 12/31/75					
b Applicable percentage times the smaller of line 23 or line 25a (see instructions)					
c Subtract line 25a from line 23. If line 23 is not more than line 25a, skip lines 25d and 25e.					
d Additional depreciation after 12/31/69 and before 1/1/76					
e Applicable percentage times the smaller of line 25c or 25d (see instructions)					
f Section 291 amount (For corporations only.)					
g Add lines 25b, 25e, and 25f					
26 If section 1252 property:					
a Soil, water, and land clearing expenses					
b Line 26a times applicable percentage (see instructions)					
c Enter smaller of line 23 or 26b					
27 If section 1254 property:					
a Intangible drilling and development costs deducted after 12/31/75 (see instructions)					
b Enter smaller of line 23 or 27a					
28 If section 1255 property:					
a Applicable percentage of payments excluded from income under section 126 (see instructions)					
b Enter the smaller of line 23 or 28a					

Summary of Part III Gains (Complete property columns A through D through line 28b before going to line 29)

29	Total gains for all properties (add columns A through D, line 23)	
30	Add columns A through D, lines 24b, 25g, 26c, 27b, and 28b. Enter here and in Part II, line 11	
31	Subtract line 30 from line 29. Enter the portion from casualty and theft on Form 4684, Section B, line 15; enter the portion from other than casualty and theft on Form 4797, Part I, line 4.	

Part IV Complete This Part Only If You Elect Out of the Installment Method And Report a Note or Other Obligation at Less Than Full Face Value

Check here if you elect out of the installment method.

Enter the face amount of the note or other obligation

Enter the percentage of valuation of the note or other obligation

Part V Computation of Recapture Amounts Under Sections 179 and 280F When Business Use Drops to 50% or Less (See Instructions for Part V.)

	(a) Section 179	(b) Section 280F
1 Section 179 expense deduction or section 280F recovery deductions		
2 Depreciation (see instructions)		
3 Recapture amount. (Subtract line 2 from line 1.)		

Form **4952**

Department of the Treasury
Internal Revenue Service

Investment Interest Expense Deduction

▶ See instructions on back.
▶ Attach to Form 1040 (or Form 1041).

OMB No. 1545-0191

1985
72

Name(s) as shown on return

RICHARD SHOFER

Identifying number

219-28-1068 1

Kind of return

Individual

Estate

Trust

Part I Interest on Investment Debts Incurred Before December 17, 1969

Note: Use Part I only if you have investment interest expense on debts incurred before December 17, 1969, in addition to debts incurred on or after that date.

1	Interest expense on investment debts incurred before December 17, 1969	1	
2	Total net investment income	2	
3	Net investment income allocable to the period before December 17, 1969: $\frac{\text{Line 1}}{\text{Line 1} + \text{Line 7} + \text{Line 15} + \text{Line 27}} \times \text{Line 2}$	3	
4	Subtract line 3 from line 2—Enter here and on line 10(a)	4	

Part II Interest on Investment Debts Incurred After September 10, 1975

5	Interest expense on investment debts incurred after September 10, 1975	5	
6	Carryover—Enter amount from 1984 Form 4952, line 14 (see instructions)	6	
7	Total investment interest expense (add lines 5 and 6)	7	
8	(a) Individuals enter \$10,000 (\$5,000 if married filing separately) (b) Additional limitation	8a	
		8b	
9	Estates enter \$10,000; trusts enter zero	9	
10	(a) Total net investment income (amount from line 4 if Part I is used)	10a	
	(b) $\frac{\text{Line 7}}{\text{Line 7} + \text{Line 15} + \text{Line 27}} \times \text{Line 10(a)}$	10b	
11	Excess expenses from "net lease property"	11	
12	Limitation on deduction (add lines 8(a), (b), 9, 10(b) and 11)	12	
13	Allowable investment interest deduction—Enter the smaller of line 7 or line 12 (see instructions)	13	
14	Disallowed investment interest to be carried over to 1986 (subtract line 13 from line 7)	14	

Part III Interest on Investment Debts Incurred Before September 11, 1975, and After December 16, 1969

15	Interest expense on investment debts incurred before September 11, 1975, and after December 16, 1969	15	18466
16	Individuals enter \$25,000 (\$12,500 if married filing separately)	16	25000
17	Estates enter \$25,000; trusts enter zero	17	
18	Net investment income (subtract line 10(b) from line 10(a))	18	155
19	Excess expenses from "net lease property"	19	
20	Net long-term capital gain minus net short-term capital loss from sale or exchange of property held for investment Note: To adjust this gain on Schedule D or Form 4798, see Schedule D (Form 1040) instructions.	20	
21	Tentative limitation (add lines 16 through 20)	21	25155
22	Subtract line 21 from line 15. If line 21 is more than line 15, enter zero	22	-0
23	Additional deduction (50% of line 22)	23	-0
24	Limitation on deduction (add lines 21 and 23)	24	25155
25	Allowable investment interest deduction—Enter the smaller of line 15 or line 24 (see instructions)	25	18466
26	Disallowed investment interest to be carried over to 1986 (subtract line 25 from line 15)	26	-

Part IV Investment Interest Expense Carryover From Earlier Years—Incurred Before September 11, 1975

27	Carryover—Enter the sum of the amounts from your 1984 Form 4952, lines 26 and 35 (see instructions)	27	22539
28	Enter amount reportable on line 18 plus \$25,000*	28	25155
29	Enter the larger of line 15 or \$25,000*	29	25000
30	Subtract line 29 from line 28. If line 29 is larger than line 28, enter zero	30	155
31	Enter 50% of line 30	31	78
32	Allowable investment interest deduction (enter the smaller of line 27 or line 31)	32	78
33	Interest carryover from earlier years disallowed in 1985 (subtract line 32 from line 27)	33	22461
34	Enter the 60% capital gain deduction from your 1985 Schedule D or 1985 Form 4798	34	-
35	Interest carryover to 1986 (subtract line 34 from line 33)	35	22461

*\$12,500, if married filing separately; zero, if a trust.

For Paperwork Reduction Act Notice, see back of form.

Form 4952 (1985)

Department of the Treasury
Internal Revenue Service (X)

▶ See separate instructions.
▶ Attach this form to your return.

Name(s) as shown on return **RICHARD SHOFER** Identifying number **219-28-1068**

Business or activity to which this form relates
RENTAL PROPERTIES

Part I Depreciation

Use Part III, Specific Information Concerning Automobiles and other Listed Property, for certain transportation equipment (e.g. autos), amusement/recreation property, and computer/peripheral equipment.

Section A.—Election to Expense Recovery Property (Section 179)

(a) Class of property	(b) Cost	(c) Expense deduction
1 EQUIPMENT - 5 YEAR (UNIT 29M) *	5000	5000
2 Listed property—Enter total from Part III, Section A, column (h)		
3 Total (see instructions for limitations). (Partnerships or S corporations—see the Schedule K and Schedule K-1 Instructions of Form 1065 or 1120S)		5000

Section B.—Depreciation of Recovery Property

(a) Class of property	(b) Date placed in service	(c) Cost or other basis	(d) Recovery period	(e) Method of figuring depreciation	(f) Deduction
4 Accelerated Cost Recovery System (ACRS) (see instructions): For assets other than automobiles and other listed property placed in service ONLY during tax year beginning in 1985					
a 3-year property					
b 5-year property 15L 29M *		11400 28126	5	ACRS	5929
c 10-year property					
d 15-year public utility property					
e Low-income housing					
f 15-year real property					
(15L) g 18-year real property	2-27-85	142700	18		12843
(29M) (See "Items You Should Note")	3-15-85	119371	18		9550
5 Listed property—Enter total from Part III, Section A, column (g)					
6 ACRS deduction for assets other than automobiles and other listed property placed in service prior to 1985 (see instructions)					

Section C.—Depreciation of Nonrecovery Property

7 Property subject to section 168(e)(2) election (see instructions)	
8 Other depreciation (see instructions)	

Section D.—Summary

9 Total (Add deductions on lines 3 through 8). Enter here and on the Depreciation line of your return (Partnerships and S corporations—Do NOT include any amounts entered on line 3.)	33322
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Part II Amortization

(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
POINTS - UNIT 29M	3-15-85	1725	461(g)	15 yr	86

Total. Enter here and on Other Deductions or Other Expenses line of your return **86**

See Paperwork Reduction Act Notice on page 1 of the separate instructions.

Part III Specific Information Concerning Automobiles and Other Listed Property

For property used 50% or less in a trade or business, the section 179 expense deduction is not allowed. For listed property used 50% or less in a trade or business, depreciation **MUST** be computed under the straight-line method.

Section A.—Depreciation of Automobiles and Other Listed Property (see instructions for limitations)

Item No.	(a) Description (list vehicles first)	(b) Date placed in service	(c) Business use percentage (%)	(d) Cost or other basis	(e) Recovery period	(f) Method of figuring depreciation	(g) Deduction	(h) Section 179 expense
1								
2								
3								
4								
5								
6								
7								
8								
9								
Total (Enter here and on line 2, page 1.)								
Total (Enter here and on line 5, page 1.)								

Section B.—Questions Regarding Use of Automobiles and Other Listed Property

	Yes	No
<i>To Be Completed by All Filers:</i>		
1 Do you have evidence, for all the listed property above, to support the business use percentage claimed?		
2 Is the evidence written?		
<i>To Be Completed by Employers Who Provide Vehicles for Use by Employees:</i>		
3 Do you maintain a written policy statement, meeting the conditions described in the instructions, that prohibits all personal use of vehicles, including commuting, by your employees?		
If "Yes," do not complete items 6 through 12 for any of the vehicles furnished to employees that are covered by the written policy statement.		
4 Do you maintain a written policy statement, meeting the conditions described in the instructions, that prohibits personal use of vehicles, except commuting, by your employees?		
If "Yes," you must complete items 6 through 12: (a) only for those vehicles furnished to "disqualified persons" even if they are covered by the statement; and (b) for all vehicles not covered by the statement.		
5 Do you provide more than five vehicles to your employees, or treat all use of vehicles by employees as personal use?		
If "Yes," you do not have to answer questions 6 through 12: (a) for vehicles furnished to other than disqualified persons, or (b) if you treat all use of vehicles by employees as personal use. You must retain the information received from your employees regarding the use of the vehicles.		

Section C.—Information Regarding Use of Vehicles

	Vehicle 1		Vehicle 2		Vehicle 3		Vehicle 4		Vehicle 5		Vehicle 6	
6 Total miles driven during the year												
7 Total business miles driven during the year												
8 Total commuting miles driven during the year.												
9 Total other personal (non-commuting) miles driven												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
10 Was the vehicle available for personal use during off-duty hours?												
11 Is another vehicle available for personal use?												
12 Was the vehicle used primarily by a disqualified person?												

Alternative Minimum Tax Computation

▶ Attach to Forms 1040, 1040NR, 1041 or 990-T (Trust).

Name(s) as shown on tax return

RICHARD SCHOFFER

Identifying number

219-28-1064

1	Adjusted gross income from Form 1040, line 33 or Form 1040NR, line 32 (see instructions)	1	154674
2	Deductions (see instructions):		
a	(1) Medical and dental expense from Schedule A, line 5	2a(1)	7579
	(2) Multiply Form 1040, line 33 by 5% (.05)	2a(2)	7734
	(3) Subtract line 2a(2) from line 2a(1). (If zero or less, enter zero)	2a(3)	-
b	Contributions from Schedule A, line 18	2b	160
c	Casualty and theft losses from Schedule A, line 19	2c	-
d	Qualified interest on property used as a residence from Schedule A, line 11	2d	43314
e	(1) Interest, other than line 2d above, from Schedule A, line 14	2e(1)	21001
	(2) Net investment income (If zero or less, enter zero)	2e(2)	155
	(3) Enter the smaller of line 2e(1) or line 2e(2)	2e(3)	155
f	Gambling losses to the extent of gambling winnings from Schedule A, line 22	2f	
g	Estate tax allowable under section 691(c) from Schedule A	2g	
h	Estates and trusts only: Charitable deduction and income distribution deduction	2h	
i	Add lines 2a(3), b, c, d, e(3), f, g, and h	2i	43629
3	Subtract line 2i from line 1	3	11045
4	Tax preference items:		
a	Dividend exclusion	4a	
b	60% capital gain deduction	4b	
c	Accelerated depreciation on nonrecovery real property or 15 (or 18)-year real property	4c	9899
d	Accelerated depreciation on leased personal property or leased recovery property other than 15 (or 18)-year real property	4d	7733
e	Amortization of certified pollution control facilities	4e	
f	Mining exploration and development costs	4f	
g	Circulation and research and experimental expenditures	4g	
h	Reserves for losses on bad debts of financial institutions	4h	
i	Depletion	4i	
j	Incentive stock options	4j	
k	Intangible drilling costs	4k	
l	Add lines 4a through 4k	4l	17632
5	Alternative minimum taxable income (add lines 3 and 4(l)) (short period returns, see instructions)	5	128677
6	Enter: \$40,000, if married filing joint return or Qualifying widow(er) \$30,000, if single or head of household \$20,000, if married filing separate return or estate or trust	6	30000
7	Subtract line 6 from line 5. If zero or less, do not complete the rest of this form	7	98677
8	Enter 20% of line 7	8	19735
9	Amount from Form 1040, line 50, or Form 1040NR, line 51. (Do not include Form 1040, line 39, or Form 1040NR, line 41.) (estates and trusts, see instructions)	9	16906
10	Subtract line 9 from line 8. If zero or less, enter zero	10	2829
11	Foreign tax credit	11	
12	Alternative minimum tax (subtract line 11 from line 10). Enter on Form 1040, line 52, Form 1040NR, line 52, Form 1041, line 31, or Form 990-T, page 1, line 14.	12	2829

Instructions

(Section References are to the Internal Revenue Code)

Paperwork Reduction Act Notice.— We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Who Must File.—File this form if: (a) You are liable for the alternative minimum tax; or (b) you have one or more tax preference items on lines 4c through 4k; or (c) you have an amount on line 2e(3), and line 2e(2) includes income other than interest and dividend income.

Individuals, estates or trusts may be liable if their adjusted gross income plus tax preference items listed on line 4 total more than line 6.

For more information, see Publication 909, Alternative Minimum Tax.

Minimum Tax Deferred From Earlier Year(s).—If a net operating loss carryover from an earlier year(s) reduces taxable income for 1985, and the net operating loss giving rise to the carryover resulted in the deferral of minimum tax in that earlier year(s), all or part of the deferred minimum tax may be includable as tax liability for 1985. Figure the deferred minimum tax in the worksheet in Publication 909 and enter it on Form 1040, line 52, or Form 1041, line 31. Write "Deferred Minimum Tax."

Partners, Beneficiaries, etc.—If you are a:

(1) Partner or shareholder of an S corporation, take into account separately your distributive share of items of income and deductions that

enter into the computation of tax preference items.

(2) Beneficiary of an estate or trust, see section 58(c).

(3) Participant in a common trust fund, see section 58(e).

(4) Shareholder or holder of beneficial interest in a regulated investment company or a real estate investment trust, see section 58(f).

Carryback and Carryover of Unused Credits.—It may be necessary to figure the carryback or carryover of certain unused credits. See section 55(c)(3).

Note: If you have an earned income credit, you must reduce that credit by any alternative minimum tax.

(Continued on back)

502

MARYLAND TAX RETURN

1985

Or Fiscal Year Beginning ... 1985, Ending ... 19

RESIDENT

(For Privacy Notice See Page 15 of Instructions)

DO NOT WRITE IN THIS SPACE SERIAL No. C

First Name(s) and Initial(s) (If joint return, use first names and middle initials of both) RICHARD

Last Name(s) SHOFER

PRESENT Address (Number and Street or Rural Route) 216 ST DUNSTONS ROAD

Your Social Security Number 219 28 1068

Post Office BALTIMORE State MD Zip Code 21212

Your Occupation CORP. EXECUT.

Name of COUNTY in which you were a resident on the last day of the taxable period. (See page 15 of instructions) Maryland County

Spouse's Social Security Number

If you lived in an INCORPORATED city, town or special taxing area on the last day of the taxable period, enter its name, also. BALTIMORE

Spouse's Occupation

- A. YOUR FILING STATUS - check only one: 1. Single (checked) 2. Married filing joint return or spouse had no income 3. Married filing combined separate returns on this form 4. Married filing separately 5. Qualifying widow(er) with dependent child

- B. CHANGE OF RESIDENT STATUS: 1. Did you establish or abandon legal residence in Maryland in 1985? Yes No (checked) 2. If Yes, give dates of Maryland Residency and see instructions, p. 13 FROM TO Other State of Residence

EXEMPTIONS: REGULAR, 65 OR OVER, BLIND, YOURSELF, SPOUSE, FIRST NAMES OF DEPENDENT CHILDREN ANDY DAVID, ENTER NUMBER 2 (B)

OTHER EXEMPTIONS ALLOWED BY MARYLAND: NAME, RELATIONSHIP, REGULAR, 65 OR OVER, ENTER NUMBER CHECKED, TOTAL EXEMPTIONS (Add A, B, and C) 3, In combined separate returns, number of exemptions claimed in Column A, Column B

Table with 5 columns: Line number, Description, Column A, Column B, Total. Rows include Federal Adjusted Gross Income (154674), Additions (3816), Total (158490), Subtractions, Total Maryland Adjusted Gross Income (158490), TAX TABLE (77497), Net Income (80993), Maryland Tax (3870), Local Income Tax (1935), Total Maryland and Local Income Tax (5805), Total Maryland Tax Withheld (1208), 1985 Estimated Tax Payments (3500), Total Payments and Credits (4708), Balance Due (1097), Overpayment, Combined Balance Due, Combined Overpayment, Amount of Line 21 or Line 23 TO BE REFUNDED TO YOU (Refund), Amount of Overpayment to be Credited to 1986 Estimated Tax.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge.

Make checks payable to and mail to: COMPTROLLER OF THE TREASURY INCOME TAX DIVISION ANNAPOLIS, MARYLAND 21411 (Include Social Security No.)

Your Signature and Date: Kenneth E. Karas 2-12-87 Spouse's Signature and Date: GRABUSH, HELEN M. 2-12-87 BALTIMORE, MARYLAND 21210

SCHEDULES

All taxpayers must complete Schedule A. Taxpayers with modifications to Federal adjusted gross income must complete Schedule C and/or D as applicable. See Instructions, Page 18.

COLUMNS

taxpayers must complete Column C with the items appearing on the Federal returns.
 Married individuals who filed a joint Federal return, but who choose to file combined separate Maryland returns, must complete Columns A and B reconciling their separate income and modifications with the amounts reported jointly for Federal purposes.

SCHEDULE A — INCOME AND ADJUSTMENTS FROM FEDERAL RETURN

- 26. Wages, Salaries, Tips, etc. 26
- 27. Interest 27
- 28. Dividends 28
- 29. Refunds of State and Local Income Taxes 29
- 30. Alimony Received 30
- 31. Business Income or (Loss) 31
- 32. Capital Gain or (Loss) 32
- 33. Supplemental Gains or (Losses) from Federal Form 4797 33
- 34. Taxable Amount of Pensions and Annuities, IRA Distributions 34
- 35. Rents & Royalties, Partnerships, Estates or Trusts, etc. (circle appropriate items) 35
- 36. Farm Income or (Loss) 36
- 37. Taxable Amount of Unemployment Compensation 37
- 38. Taxable Amount of Social Security and Tier 1 Railroad Retirement Benefits 38
- 39. Other Income 39
- 40. Total Income (Add Lines 26 Through 39) 40
- 41. Adjustments to Income (Total Adjustments to Income from Federal Return) 41
- 42. Adjusted Gross Income (Subtract Line 41 from Line 40) (Enter on Line 1) 42

COLUMN A	COLUMN B	COLUMN C
		200000
		15
		(3000)
		3400
		(45881)
		154674
		154674

SCHEDULE B — ITEMIZED DEDUCTIONS AND MARYLAND ADJUSTMENTS

Complete and Attach Form 502A. Write the Figure on Line 30 of 502A on Line 8 of this Form.

MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME

SCHEDULE C — ADDITIONS

- 43. Federal Deduction for Two-Earner Married Couples 43
- 44. Interest on State and Local Obligations Other Than Maryland 44
- 45. Dividend Exclusion (From Federal Return) 45
- 46. Taxable Tax Preference Items (Attach Form 502 TP) 46
- 47. Lump Sum Distributions (See Instructions, Page 18) 47
- 48. Other (Specify) (See Instructions, Page 19) 48
- 49. Total (Add Lines 43 Through 48) (Enter on Line 2) 49

			3816	
			3816	

SCHEDULE D — SUBTRACTIONS

- 50. Interest on U.S. Obligations 50
- 51. Pension Exclusion (Complete Computation Below) 51
- 52. Child and Dependent Care Expenses (See Instructions, Page 19) 52
- 53. Use of Vehicle for Charitable Purposes (Attach Form 502 V) 53
- 54. Income Received During Period of Nonresident Status 54
- 55. Refunds of State and Local Income Taxes Written on Line 29 55
- 56. Taxable Social Security and Railroad Retirement Benefits Included on Line 38 56
- 57. Other (Specify) (See Instructions, Page 19) 57
- 58. Total (Add Lines 50 Through 57) (Enter on Line 4) 58

PENSION EXCLUSION COMPUTATION (For use only if 65 or over, or totally disabled — See Instructions, Page 19)

- 59. Net Taxable Pension and Retirement Annuity Included as Income in Federal Return
- 60. Maximum Allowable Exclusion
- .. Total Benefits Received Under the Social Security Act and/or the Railroad Retirement Act
- 62. Tentative Exclusion (Subtract Line 61 from Line 60)
- 63. Modification (Subtraction) to Federal Adjusted Gross Income (Line 59 or Line 62 Whichever is Less) Write the Amount on Line 51

	COLUMN A			COLUMN B		
59. Net Taxable Pension and Retirement Annuity Included as Income in Federal Return	\$			\$		
60. Maximum Allowable Exclusion	\$	8500	00	\$	8500	00
.. Total Benefits Received Under the Social Security Act and/or the Railroad Retirement Act	\$			\$		
62. Tentative Exclusion (Subtract Line 61 from Line 60)	\$			\$		
63. Modification (Subtraction) to Federal Adjusted Gross Income (Line 59 or Line 62 Whichever is Less) Write the Amount on Line 51	\$			\$		

502 A

COMPTROLLER OF THE TREASURY
INCOME TAX DIVISION
ANNAPOLIS, MARYLAND 21411

MARYLAND
ITEMIZED DEDUCTIONS

1985

Name and Address of Taxpayer(s)

Social Security Number

RICHARD STOFER

219 | 28 | 1068

For Combined Separate Filing, use Column A and Column B, otherwise use Column B only.

		COLUMN A	COLUMN B
Medical and Dental Expenses (Do not include expenses reimbursed or paid by others.)	1 Prescription medicines and drugs; and insulin	1	
	2 a Doctors, dentists, nurses, hospitals, insurance premiums you paid for medical and dental care, etc.	2a	15313
	b Transportation and lodging	2b	
	c Other (list—include hearing aids, dentures, eyeglasses, etc.)	2c	
	3 Add lines 1 through 2c	3	15313
4 Multiply amount on Form 502, line 1, by 5% (.05)	4	7734	
5 Subtract line 4 from line 3. If line 4 is more than line 3, write zero	5	7579	
Taxes	6 State and local income Not a State Deduction	6	/ / / / / / / / / / / / / / / /
	7 Real estate	7	3821 -
	8 a General sales (see Federal sales tax tables)	8a	1300
	b General sales on motor vehicles	8b	
	9 Other (list)	9	
10 Add lines 6 through 9	10	5121 -	
Interest Expense	11 a Home mortgage interest paid to financial institutions	11a	20051 -
	b Home mortgage interest paid to individuals (show that person's name and address) <u>POINT AMORTIZATION</u>	11b	68 -
	<u>MORTGAGE INTEREST NOT DEDUCTIBLE ON RENTAL SCH.</u>	11b	23195
	12 Credit cards and charge accounts	12	376
	13 Other (list) <u>SEVERAL RENT, INT. ON TAXPMT, PENSION CONTRIBUTION</u> <u>OTHER CHARGES AND FIRM FORM 497</u>	13	20625
14 Add lines 11a through 13	14	64315 -	
Contributions	15 a Cash contributions. (If you gave \$3,000 or more to any one organization, report those contributions on line 15b.)	15a	160 -
	b Cash contributions totaling \$3,000 or more to any one organization. (Show to whom you gave and how much you gave.)	15b	
	16 Other than cash (attach required statement)	16	
	17 Carryover from prior year	17	
18 Add lines 15a through 17	18	160 -	
Casualty and Theft Losses	19 Total casualty or theft loss(es) (attach Federal Form 4684)	19	
Miscellaneous Deductions	20 Union and professional dues	20	
	21 Tax return preparation fee	21	
	22 Other (list) <u>BUSINESS PUBLICATIONS</u>	22	322
23 Add lines 20 through 22	23	322 -	
Summary of Itemized Deductions	24 Add lines 5, 10, 14, 18, 19 and 23. If you itemized deductions on your Federal return, enter this amount on line 26 of this form. Do not complete line 25	24	77497 -
	25 If you did not itemize on your Federal return and you checked Form 502 { Filing Status 1- Enter \$2390. Filing Status 2 or 5- Enter \$3540. Filing Status 3 or 4- Enter \$1770. }	25	NA
	26 Enter line 24 or 25, whichever is less	26	77497 -
	27 State Deduction: Artist's Contribution (Attach Schedule 502AC)	27	
	28 Total (Add line 26 and line 27)	28	77497 -
	29 Part year residents enter deductions during period of nonresident status	29	-
	30 Maryland itemized deductions (Line 28 less line 29). Enter in the appropriate column on Form 502, line 8	30	77497 -

COMPUTATION OF TAX PREFERENCE INCOME MODIFICATION

Attach To Your Tax Return

Name and Address of Taxpayer

RICHARD SHOFEK

Social Security No.

219 28 1068

216 ST DUNSTONS ROAD, BALTIMORE, MARYLAND 21212

Check Return Filed: 502 Resident 505 Nonresident 504 Fiduciary

Who must file: File this form if the total tax preference items (line 2) is more than \$10,000 (\$20,000 for a joint return).

1. TAX PREFERENCE ITEMS FROM FEDERAL FORM 6251

(a) All Savers Interest	
(b) Capital Gains	
(c) Accelerated depreciation on Real Property:	
(1) Low-Income Rental Housing under Sec. 167(k)	
(2) Other Nonrecovery Real Property or 15-year Real Property	9899
(d) Accelerated Depreciation on Leased Personal Property or Leased Recovery Property other than 15-year Real Property	7733
(e) Amortization of Certified Pollution Control Facilities	
(f) Mining Exploration and Development Costs	
(g) Circulation and Research and Experimental Expenditures	
(h) Reserves for Losses on Bad Debts of Financial Institutions	
(i) Depletion (Excluding Oil Percentage Depletion Allowance)	
(j) Incentive Stock Options	
(k) Intangible Drilling Costs	
2. Total Tax Preference Items (Add Lines 1(a) through (k))	17632
3. Exclusion. Enter \$10,000 (\$20,000 for a joint return)	10000
4. Subtract Line 3 from Line 2	7632
5. 50% of Line 4	3816
6. Taxable Tax Preference Items (Subtract Line 5 from Line 4) Enter on Line 53, Schedule C, Form 502, or Line 51, Schedule C, Form 505; or Line 42, Schedule 3, Form 504	3816

Application for Extension of Time To File
U.S. Individual Income Tax Return

(See back for filing instructions. Be sure to complete all items.)

1985

59

Please type or print. File the original and one copy by the due date for filing your return.	Your first name and initial (if joint return, also give spouse's name and initial)	Last name	Your social security number
	<u>RICHARD</u>	<u>SHOFER</u>	<u>219-28-1068</u>
	Present home address (Number and street, including apartment number, or rural route)		Spouse's social security number
	<u>216 ST. DUNSTONS ROAD</u>		:
	City, town or post office, state, and ZIP code		:
	<u>BALTIMORE, MD. 21212</u>		:

If you expect to file a gift tax return (Form 709 or Form 709-A) for 1985, generally due by April 15, 1986, check this box. . . .

- 1 I request an extension of time until 10/15 19 86 . . . to file Form 1040A or Form 1040 for the calendar year 1985, or other tax year ending 19
- 2 Were you previously granted an extension of time to file for this tax year? Yes No
- 3 Previous extension granted to (date) 2/15/86
- 4 State in detail why you need an extension. ADDITIONAL TIME IS REQUIRED TO COMPLETE THE INFORMATION NECESSARY FOR A COMPLETE & ACCURATE RETURN.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and, if prepared by someone other than the taxpayer, that I am authorized to prepare this form.

Signature of taxpayer ▶ _____ Date ▶ _____

Signature of spouse ▶ _____ Date ▶ _____

Signature of preparer other than taxpayer ▶ Kenneth Clark CPA Date ▶ 8/15/85

IRS will show below whether or not your application is approved and will return the copy.

- Notice to Applicant—To Be Completed by IRS
- We HAVE approved your application. (Please attach this form to your return.)
 - We HAVE NOT approved your application. (Please attach this form to your return.)
However, because of your reasons stated above, we have granted a 10-day grace period from the date shown below or due date of your return, whichever is later. This grace period is considered to be a valid extension of time for elections otherwise required to be made on returns filed on time.
 - We HAVE NOT approved your application. After considering your reasons stated above, we cannot grant your request for an extension of time to file. (We are not granting the 10-day grace period.)
 - We cannot consider your application because it was filed after the due date of your return.
 - Other

go _____ Date _____
By: Joseph P. [Signature] Director 26
PHILA., PA.

HARVEY M. NEWMAN, CPA
GERALD L. GRABUSH, CPA
BARRY B. BONDROFF, CPA
PHILIP I. MATZ, CPA
NORMAN N. POLONSKY, CPA
KENNETH E. LARASH, CPA
ALLEN M. SCHIFF, CPA

Grabush, Newman & Co., P.A.
Certified Public Accountants

Office of the Comptroller
Income Tax Division
State Income Tax Building
Annapolis, Maryland 21401

Re: *Richard Shofee*
219-28-1068

Gentlemen:

An extension of time until August 15, 1986 is hereby requested in order to file Form 502 for the year 1985 for the above referenced taxpayer.

Federal Form 4868 is attached. *A check for \$3,500.00 is attached*

Sincerely,

GRABUSH, NEWMAN & CO., P.A.

Kenneth E. Larash 4/15/86

EXTENSION APPROVED

APR 30 1986

T A B L E O F C O N T E N T S

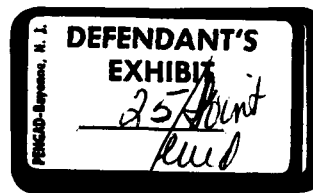
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MP60223

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MP60223

CATALINA ENTERPRISES, INC.

PENSION PLAN

AND

TRUST AGREEMENT

THIS AGREEMENT is entered into this 18TH day of October, 1976, by and between Catalina Enterprises, Inc., a Maryland Corporation (hereinafter referred to as the "Employer") and Richard Shofer (hereinafter referred to as the "Trustee").

WHEREAS, the Employer had on December 28, 1971, established a Qualified Pension Plan, which is now being amended and restated in its entirety to conform to the requirements of the Employee Retirement Income Security Act of 1974, as amended, and this document has been written as a part of the Employer's and the Trustee's continuing good faith effort to comply with all the requirements of the laws and regulations as have been promulgated to this date;

WHEREAS, the Employer desires to establish and maintain a Qualified Pension Plan for the exclusive benefit of its Employees which Plan and related Trust is intended to comply with the Employee Retirement Income Security Act of 1974, as amended; qualify under Section 401(a) of the Internal Revenue Code of 1954, as amended; and thereby obtain a tax exempt status under Section 501(a) of said Code with contributions thereto being deductible under Section 404 of said Code; and

WHEREAS, the Employer desires to provide for the administration of the assets and income of the Trust and for the distribution of such assets and income as herein provided to its Employees and their Beneficiaries; and

WHEREAS, this Plan and Trust are established and maintained for the sole and exclusive benefit of those Employees of the Employer who shall be eligible to participate and for the benefit of the dependents and Beneficiaries of such Employees in the event of their death under the terms and conditions hereinafter set forth. No part of the Trust Fund can ever revert to the Employer, or be used or diverted to purposes other than the exclusive benefit of the Employees and their Beneficiaries, except as hereinafter provided.

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, it is agreed by and between the Employer and the Trustees, as follows:

SECTION 1

ELECTIVES

- 1.01. This Plan and Trust shall be known as the Catalina
Enterprises, Inc. Pension Plan.
- 1.02. The "Effective Date" of this Plan and Trust as amended
and restated shall be January 1, 1976.
- 1.03. The "Anniversary Date" of this Plan and Trust shall be
January 1st in each year.

COMPUTATION OF SERVICE AND COMPENSATION

- 1.04. n/a A. The Employer's fiscal year
(ending on _____ of each year)
- X B. The Plan Year
ending coincident with or next prior to the Valuation
Date shall be used for purposes of computing compensation
and allocations, or ending coincident with or next prior
to the Anniversary Date shall be used for purposes of
computing Years of Service.

ELIGIBILITY

- 1.05. Each Employee of the Employer, not a member of
the Excluded Class, shall be eligible to participate on
the Effective Date, Anniversary Date, or Entry Date coinci-
dent with or next following the date on which the Employee
X A. shall have attained age 25.

- X B. shall have been employed by the Employer for twelve months. However, if the Plan has one Entry Date per year, any eligible Employee shall commence participation in the Plan on the Entry Date following the time he meets the other eligibility requirements.

ENTRY DATE SELECTION

- X C. Two Entry Dates per year -- the Anniversary Date and 6 months thereafter.
- n/a D. One Entry Date per year -- the Anniversary Date.

Employees of the Employer who are members of the Class or Classes enumerated below shall at no time be considered eligible to participate in the Plan.

- X Employees whose employment is governed by the terms of a collective bargaining agreement (as defined by the Secretary of Labor) between employee representatives and the Employer under which retirement benefits were the subject of good faith bargaining between said employee representatives and the Employer.
- n/a Employees who are paid on an hourly or daily basis.
- n/a Employees deriving more than ____%, of total Compensation in the form of commissions or sales incentives.

1.06. Employer's Contribution to Participant's Account. During each Plan Year, the Employer shall contribute for every active Participant who is such on the last day of the Plan Year an amount equal to:

- X A. 11.63% of such Participant's Compensation, plus an amount equal to 7% of such Participant's Compensation in excess of \$ 10,800. The Employer's contribution shall be reduced by the amount of forfeitures occurring during the Plan Year and

the contribution on behalf of each Participant shall be subject to the limit on annual additions described in Section 4.05.

n/a B. _____% of such Participant's Compensation, plus an amount equal to _____% of such Participant's Compensation in excess of the Social Security taxable wage base in effect at the beginning of the Plan Year.

n/a C. \$_____ for each Participant.

1.07. "Compensation" for purposes of this Plan shall mean the basic compensation paid to an Employee during the year including:

- X overtime pay n/a commissions
n/a bonuses n/a basic compensation only

Compensation shall include:

- X Only Compensation paid while the Participant participated in the Plan.
n/a Compensation paid during the entire measuring year specified in Section 1.04.

VESTING

1.08. n/a A. 100% after 10 years of service.

<u>n/a</u> B. <u>Years of Service</u>	<u>Nonforfeitable Percentage</u>
5	25
6	30
7	35
8	40
9	45
10	50
11	60
12	70
13	80
14	90
15 or more	100

<u>n/a</u> C.	<u>If Years of Service Equal or Exceed:</u>	<u>And the Sum of Age and Service Equals or Exceeds:</u>	<u>Then the Nonforfeitable Percentage Is:</u>
	5	45	50
	6	47	60
	7	49	70
	8	51	80
	9	53	90
	10	55	100

Provided that a Participant who has completed 10 years of service, regardless of age, shall be 50% vested with vesting thereafter at an additional 10% for each year of service..

n/a D. 100% full and immediate.

X E. 10% for each year of service, beginning after 1 year of service.

Additionally, all Participants who were Participants on December 31, 1973, shall be 100% vested in their Accrued Benefits as of that date.

1.09. Computation of years of service for vesting purposes:

For purposes of computing vesting the following years of service shall not be counted.

X A. Years of service before age 22. (Not available if 1.08. C. is selected.)

X B. Years of service during which the Employer did not maintain this Plan or a predecessor Plan.

X C. Years of Service during which the Participant completed less than 1,000 hours of service.

EARLY RETIREMENT PROVISIONS

1.10. For purposes of Section 2.12. of the Plan, the following is elected:

- n/a A. There shall be no Early Retirement Date
- X B. Early Retirement shall occur upon attaining age 55 with 10 years of participation.
- n/a C. The Early Retirement Date shall be on any Anniversary Date which is within _____ years of the Normal Retirement Date.
- n/a D. (Other)

INSURANCE

- 1.11. n/a A. No life insurance or annuities may be purchased under this Plan except as an option under Section 7 or 9.
- X B. Such insurance shall be of the ordinary life insurance or a higher premium form, or an annuity, or term life insurance. The amount of premiums paid for ordinary life insurance shall be less than 50% of the aggregate Employer contributions allocated to the Account of a Participant for whom such ordinary life insurance is acquired. The amount of premiums paid for term life insurance shall not exceed 25% of the aggregate Employer contributions allocated to the Account of a Participant for whom such term life insurance is acquired. If both ordinary and term life insurance contracts are purchased, the premiums paid for term life insurance, plus one-half the premiums paid for ordinary life insurance, shall not exceed 25% of the Employer contributions allocated to an Employee's Account.
- n/a C. Further, the amount of insurance premiums shall be limited to the vested amount of a Participant's Account.

DISTRIBUTION UPON TERMINATION OF EMPLOYMENT

1.12. The following is selected with respect to distributions to be made not on account of Early or Normal Retirement, Death, or Disability:

- n/a A. Cash, Contracts, and/or the net cash surrender values of Contracts (if any) to be transferred to the former Participant within 60 days after the end of the Plan Year in which the former Employee incurs a Break in Service.
- n/a B. Distribution to be deferred until the earlier of Death or what would have been the former Employee's Early or Normal Retirement Date had he remained a Participant.
- n/a C. If the vested portion of the Accrued Benefit is sufficient to purchase at least a \$10 per month single premium Qualified Joint and Survivor Annuity commencing at what would have been the former Participant's Normal Retirement Date, the same shall be purchased, otherwise, distribution shall be in accordance with A above.
- X D. On a non-discriminatory basis, the Employer may select the method of distribution to be applied with respect to each distribution.
- n/a E. Distribution to be as described in C. above, with the right of the Employer, on a non-discriminatory basis, to select any other optional method of distribution.

In no event may distributions exceed the Participant's vested Accrued Benefit.

VOLUNTARY CONTRIBUTIONS AND PARTICIPANT DIRECTION

- 1.13. X A. A Participant may make voluntary contributions of up to 10% of his annual compensation for each year he is a Participant.

The cost or expenses attributable to voluntary contributions shall be paid by:

- n/a 1. The Participant
- n/a 2. The Trust and charged directly to the voluntary account.
- X 3. The Employer.

- X B. A Participant may direct the Trustee as to the specific investments to be made with his voluntary contributions.
- X C. A Participant may direct the Trustee as to the specific investments to be made with Employer contributions allocated to his Account.

DIRECTION OF INVESTMENTS BY EMPLOYER

- 1.14. X A. The Employer shall have the right to direct the Trustee with respect to the general mode of mix of investments to be made: i.e. percentage of common stocks to debt or fixed income investments; percentage in type of pooled or common Trust Fund.
- n/a B. The Employer shall exercise no direction in the investment of the Trust assets.

DISABILITY

1.15. For purposes of the Plan, the following is selected as the definition of "Disability":

- X A. A Participant shall be considered as permanently and totally disabled if he is eligible for and receives permanent disability benefits under Section 223 of the Social Security Act. A Participant who has applied for disability benefits under the Social Security Act is not eligible for disability benefits under the Plan pending the disposition of such application by the Social Security Administration.
- n/a B. A Participant shall be considered as permanently and totally disabled if he is unable to engage in any substantial gainful activity, considering the Participant's age, education and work experience, by reason of any medically determined physical or mental impairment which can be expected to result in death or which can be expected to last for a continuous period of not less than 12 months.
- n/a C. A Participant shall be considered as permanently and totally disabled if he is unable to engage in

his usual and customary occupation or specialty by reason of any medically determined physical or mental impairment which can be expected to last for a continuous period of not less than 12 months.

1.16. If elected below the Trustee may make the following investments:

X A. The Trustee may make loans to Participants as specified in Section 12.02. (n).

X B. The Trustee may invest in qualified Employer real property and qualified Employer securities as specified in Section 12.02. (n).

SECTION 2
DEFINITIONS

- 2.01. "Account" shall mean that amount allocated for the benefit of each Participant which is not invested in Contracts.
- 2.02. "Accrued Benefit" shall mean the sum of the cash value of all Contracts purchased for a Participant, and the value of said Participant's Account determined as of the previous Valuation Date.
- 2.03. "Administrator" shall mean the President of the Employer, or any successor duly appointed by the President of the Employer.
- 2.04. "Age" shall mean a person's age at his nearest birthday.
- 2.05. "Anniversary Date" shall mean the date designated in Section 1.03 which date shall be the first day of each Plan Year.
- 2.06. "Beneficiary" with respect to all benefits payable hereunder by reason of death of a Participant, shall mean a person or persons designated by a Participant or, in the absence of such designation, by the terms of this Plan.
- 2.07. "Break in Service" shall occur in any Plan Year during which the Participant completes 500 Hours of Service or less. A Break in Service shall not occur while the Employee

is on leave of absence from the Employer for a period not exceeding twelve (12) months or when the Employee terminates service with the Employer to enter the Armed Services of the United States, provided that such Employee returns to active service with the Employer within the time prescribed by law after his separation from such service. Any such leave of absence shall be granted in accordance with the Employer's normal policies and practices in a non-discriminatory manner.

- 2.08. "Compensation" shall mean that form of remuneration selected in Section 1.07., which is paid to a Participant during the year as selected in Section 1.04.
- 2.09. "Contract" shall mean any life insurance or annuity policy issued on the life of a Participant, pursuant to this Plan.
- 2.10. "Current Value" shall mean the fair market value, where available, and otherwise the fair value as determined in good faith by the Trustee as of the last Valuation Date.
- 2.11. "Disability" shall have the definition as selected in Section 1.15. A Participant who is disabled shall be deemed to have retired early.
- 2.12. "Early Retirement Date" shall mean any Anniversary Date following the Participant's meet the age and/or service

requirements designated in Section 1.10.

- 2.13. "Effective Date" shall mean the date designated in Section 1.02. hereof, as the date upon which the Plan first became effective as to the Employer.
- 2.14. "Employee" shall mean any individual employed by the Employer. However, an individual who performed services as a sole proprietor, partner, or independent contractor shall not be considered to have been an Employee during that period of time when he rendered such services to the Employer.
- 2.15. "Employer" shall mean any Employer who shall have assumed the obligations of this Plan by completing and executing this Agreement or a Joinder Agreement to this Plan.
- 2.16. "Entry Date" shall mean the day on which an eligible Employee commences participation in this Plan. For those Employees who meet the eligibility requirements on the Effective Date, it shall be the Effective Date. For other persons, it shall be:
- (a) In the case where an Employer has selected one Entry Date per year under Section 1.05., the Anniversary Date following the date the Employee meets the eligibility requirements.
 - (b) In the case where an Employer has selected two Entry Dates per year under Section 1.05., the Entry Date shall be the Anniversary Date and the date in each year which occurs six months after the Anniversary Date. In this case, Employees will commence participation on the Entry Date coincident with or next following the time he meets the eligibility requirements.

- 2.17. "Excluded Class" shall mean the class of Employees the Employer has designated in Section 1.05. as not eligible to participate in the Plan.
- 2.18. "Fiduciary" shall mean a person who exercises any discretionary authority or discretionary control respecting the management of the Plan; or who exercises any authority or control respecting the management or disposition of its assets; or who renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of such Plan or has any authority or responsibility to do so; or has any discretionary authority or discretionary responsibility in the administration of such Plan; or when designated by a named Fiduciary pursuant to authority granted by the Plan, who acts to carry out a fiduciary responsibility; or who assumes any Fiduciary responsibilities pursuant to Section 16.07., subject to any exceptions granted directly or indirectly by the Employee Retirement Income Security Act of 1974, as amended, or any Regulations promulgated pursuant to the authority contained therein.
- 2.19. "Forfeiture" shall mean the nonvested Accrued Benefit of any Participant who incurs a Break in Service during the Plan Year.

2.20. "Fund" shall mean the Fund accumulated under the Plan from Contributions not applied to purchase Contracts issued by the Insurer.

2.21. "Hour of Service" shall mean any 60 minute time period when the Employee is either directly or indirectly paid or entitled to be paid by the Employer for the performance of duties.

For purposes of determining whether a Break in Service has occurred an Employee will be credited with Hours of Service for any customary period of work, based on a 40 hour week or pro rata portion thereof, during which an Employee is directly or indirectly paid or entitled to payment, by the Employer for reasons (such as vacation, sickness or disability) other than for the performance of duties. This provision shall be construed so as to resolve any ambiguities in favor of crediting Employees with Hours of Service.

2.22. "Insurer" shall mean any legal reserve life insurance company as may issue any Contract under the provisions of this agreement, and is licensed to do business in the State of Maryland.

2.23. "Normal Retirement Age" shall mean the later of the Anniversary Date following the date upon which a Participant attains age 65 or the 10th anniversary of the date the

Participant commenced participation in this Plan.

- 2.24. "Participant" shall mean any Employee or former Employee of the Employer who is or may become eligible to receive a benefit of any type from this Plan or whose Beneficiaries may be eligible to receive any such benefit.
- 2.25. "Plan" shall mean the Plan as set forth in this document.
- 2.26. "Plan Year" shall mean the 12 month period beginning on each Anniversary Date.
- 2.27. "Qualified Joint and Survivor Annuity" shall mean an annuity for the life of the Participant with a survivor's annuity for the life of the Participant's spouse which is one half (1/2) of the amount of the annuity payable during the joint lives of the Participant and spouse.
- 2.28. "Special Valuation Date" shall mean any date other than the Valuation Date designated by the Administrator as a Valuation Date.
- 2.29. "Trustee" shall mean that person or persons so designated by the Board of Directors of the Employer to serve as Trustee and so named herein and who, by joining in the execution of the documents creating or amending this Plan, acting in his capacity as a party to the Trust, signifies his acceptance of this Trust, or any person duly appointed as a successor Trustee in accordance with the provisions of this Plan.

- 2.30. "Valuation Date" shall mean the last business day of each Plan Year.
- 2.31. "Years of Service", for purposes of computing vesting, shall be computed upon the 12 month period selected in Section 1.04. One thousand or more Hours of Service during such year shall give the Participant one Year of Service. For purposes of computing 12 months of service, which may be required for eligibility under Section 1.05.B., it shall be the 12 month period beginning when employment commences during which the Employee must have 1,000 or more Hours of Service. If the Employee fails to get at least 1,000 Hours of Service by the first anniversary date of his employment, then, the eligibility period, if any, specified in Section 1.05.B. shall be the 12 month period specified in Section 1.04., and the Employer shall not be eligible to participate until he has 1,000 or more Hours of Service during a year specified in Section 1.04.

SECTION 3

ELIGIBILITY AND PARTICIPATION

- 3.01. Eligibility Requirements. Each present and future Employee of the Employer who is not a member of an Excluded Class and who meets all of the eligibility requirements specified in Section 1.05 shall participate in the Plan. Such person shall continue as an active participant until he incurs a Break in Service, or fails to meet the eligibility requirements.
- Any Participant who incurs a Break in Service may participate in the Plan again provided he meets all the eligibility requirements and provided that he has 1,000 or more Hours of Service as an eligible Employee in the 12 month period immediately following the time he otherwise met the Plan's eligibility requirements.
- 3.02. Upon becoming eligible to participate in this Plan, an Employee shall be notified by the Administrator.
- 3.03. The Administrator shall determine the eligibility of any Employee for participation in the Plan. Such determination shall be conclusive and binding upon all persons.

SECTION 4

CONTRIBUTIONS

4.01. Financing Benefits. In order to carry out the provisions of this Plan and to provide the benefits hereunder, the Employer establishes a Money Purchase Pension Plan and Trust for the benefit of its Employees.

The Employer shall pay to the Trustee each year an amount in accordance with the formula set out in Section 1.06.

Notwithstanding the foregoing, the Employer shall have the right to suspend the contribution for any year or years in whole or in part, provided, however, that the Employer shall be required to make up any suspended contribution within 10 years after the original due date of such contribution with interest thereon at the actual rate earned by the Trust per annum from the original due date to the date of actual payment. Such made up contributions shall be allocated to each Participant, who was a Participant at the time the contribution was suspended, in the amount which would have been allocated had the contribution not been suspended by the Employer. In addition, the actual interest will be allocated in the same ratio as the allocation of the made up contribution. Forfeitures shall be calculated and treated in the same manner as if the contribution had not been suspended.

- 4.02. The Employer's contribution under this Plan shall be paid over to the Trustee no later than the date the corporate tax return is due for that year, including any extensions of time for the filing of the corporate tax return which have been approved by the Internal Revenue Service.
- 4.03. All amounts paid to the Trustee by the Employer shall constitute irrevocable contributions by the Employer to the Plan, except as otherwise specifically provided hereinafter.
- 4.04. No Participant shall be required to make any contributions under this Plan. But if provided for in Section 1.13., any Participant may make voluntary contributions to this Plan provided, however, that such contributions shall not exceed 10% of the Participant's compensation, nor shall a Participant's voluntary contributions to all qualified Plans of the Employer exceed 10% of his compensation. The right to make such contribution shall be cumulative for all Plan Years during which a Participant was such. A Participant who has failed or been unable to make the maximum voluntary contributions permitted hereunder may make up such contributions in any subsequent Plan Years in which he is an active Participant. If elected under Section 1.13.B., the

Participant may direct the Trustee in the investment of his voluntary contribution account. In such event, the Trustee shall be held totally harmless as to the propriety, prudence, and results of the such directions.

The Administrator shall maintain a separate Account for each Participant, to which shall be credited his voluntary contributions and any increments or decrements thereon.

The Administrator shall account separately for such voluntary contributions whether or not they are separately invested. All voluntary contributions for any Plan Year shall be due and payable to the Employer, for transmittal to the Trustee in one lump sum on the last day of the Plan Year. Alternatively, the Employer may institute a payroll deduction system (for those Participants desiring to make voluntary contributions) and transmit to the Trustee such sums as the Participant, by written authorization, may specify. Within 30 days after receipt or withholding of a Participant's contributions, the Employer shall remit to the Trustee and Administrator an itemized list of the contributing Participants and the amount of their contributions, the total amount of contributions collected or withheld, and the Administrator shall credit such contributions to the Accounts of the respective Participants as of the date of payment to the Trustee. With the consent of the Administrator,

to be based upon consistently applied, non-discriminatory policies, a Participant may elect to withdraw, as of any Anniversary Date, from the portion of his Account attributable to his voluntary contributions, any amount not in excess of the total contributions previously made by him, less the aggregate of his previous withdrawals. If a Participant does withdraw any of the principal of his voluntary account, he may redeposit that amount at a later date. At all times, a Participant shall be 100% vested in his voluntary contributions, including any increment earned thereon, and the Participant shall be entitled to receive payment thereof within 60 days after the end of the Plan Year in which employment terminates. Upon the death of a Participant, his Beneficiary shall be entitled to receive payment thereof in one lump sum, within 60 days after the end of the Plan Year in which the Participant dies. (The cost of administering a Participant's voluntary contributions account shall be paid in accordance with the selection made in Section 1.13.)

4.05. Overall Limitation of Contribution. For any Plan Year beginning after 12/31/75, the annual addition to a Participant's Account shall not exceed the lesser of \$25,000 (subject to annual cost of living increase in accordance

with regulations promulgated by the Internal Revenue Service) or twenty-five percent (25%) of the Participant's earnings from the Employer for such year.

The term "annual addition" means the sum of the following amounts allocated to the Account of each Participant:

- (a) the Employer's contribution; and
- (b) the lesser of:
 - (i) the Employee's voluntary contribution in excess of six percent (6%) of his Compensation; or
 - (ii) one-half of all the Employee's voluntary contribution.

All defined contribution plans of the Employer shall, for purposes of this limitation, be considered as one plan.

In any case in which an individual is a Participant in both a defined benefit plan and a defined contribution plan maintained by the same Employer, the sum of the defined benefit plan fraction and the defined contribution plan fraction for any year may not exceed 1.4. The defined benefit plan fraction for any year is a fraction:

- (a) the numerator of which is the projected annual benefit of the Participant under the Plan (determined as of the close of the year), and
- (b) the denominator of which is the maximum benefit allowable under Section 415 (b) of the Internal Revenue Code of 1954, as amended.

The defined contribution plan fraction for any year is a fraction:

- (a) the numerator of which is the sum of the annual additions for all Plan Years to the Participant's Account as of the close of the year, and
- (b) the denominator of which is the sum of the maximum amount of annual additions which could have been made for such year and for each prior year of service with the Employer.

If the annual addition made with respect to a particular Participant exceeds the limits set out above, then the addition in such year shall be reduced to the extent necessary first, by the Participant's contributions made during the year, which shall be returned; and secondly, by Employer contributions which shall be held in a suspense account and used to reduce the next Employer contribution.

If the Employer maintains a qualified profit sharing plan in addition to this Plan then the annual addition in the profit sharing plan shall be reduced first so that the limits shall not be exceeded. If the Employer maintains another qualified pension plan in addition to this Plan then the annual addition to this Plan shall first be reduced so that the limits shall not be exceeded.

Notwithstanding the above if any Participant is a Participant in both a defined contribution plan and a defined benefit plan maintained by the same Employer and the sum of the defined contribution plan fraction and the defined benefit plan fraction exceed 1.4, it may continue to exceed 1.4 provided that it may not increase above the level that it was on September 1, 1974 and provided further that no contributions are made under the defined contribution plan after September 2, 1974.

In the event that the Employer is a member of a controlled group of corporations or a group of trades or businesses under common control (as described in Sections 414(b) or (c) of the Internal Revenue Code, as modified by Section 415 (b) thereof), the allocations of the Employer Contribution to any Participant's Account and/or benefit from a deferred benefit Plan in any Plan Year shall be further limited by reason of the existence of other qualified retirement plans maintained by such affiliated corporations or other entities under common control, to the extent such reduction is required by Section 415 of the Internal Revenue Code and the regulations promulgated thereunder. The Administrator shall determine if any such reduction in the allocations to a Participant's Account and/or benefit are required for this reason, and if so, the same provisions as stated above shall apply.

The year of limitation for purposes of computing the above limits shall be as specified in Section 1.04.

4.06. Predecessor Plan Assets. The Trustee, notwithstanding the provisions of Section 4.05., may receive the assets of any qualified predecessor Plan of the Employer and invest such Assets in any manner in which he is authorized to invest the Assets of this Plan.

SECTION 5

VALUATION OF ACCOUNTS

- 5.01. Establishment of Account. The Administrator shall establish a separate Account for each Participant. Such Account shall be credited each year with all contributions for the Participant to the extent that such contributions are not applied to the purchase of contracts on the Participant's life from the Insurer. As soon as reasonably possible after each Valuation Date, each Participant shall be notified of the value of his Accrued Benefit as of such Valuation Date including the value of any portion of such Account attributable to his voluntary contributions, if any.
- 5.02. Valuation of Account at Year End. To determine the value of the Participant's Account the net assets of the Fund shall be valued at the then current market value, before crediting any contributions then due or paid for such Plan Year, and the Accounts of the Participants shall be adjusted proportionately to reflect any change in the value of such assets which shall result either from the earnings, losses, or expenses of the Trust or from an increase or decrease in the market value of such assets. For purposes of this valuation, a Participant's Account shall include any portion

attributable to contributions whose investment is not being directed by the Participant. Following such valuation, any contributions then due shall be credited to the Accounts of the Participants for whom they have been made.

5.03. Forfeitures. As of each Valuation Date, any amount which stood to the credit of a former Participant's Account and which has been forfeited during the Plan Year because a Break in Service has occurred, shall be used to reduce the next succeeding Employer contributions.

5.04. Special Valuations. In the event it is determined that the value of the Fund as of any date on which distributions are to be made differs materially from the value of the Fund on the Valuation Date or prior Special Valuation Date upon which the distribution is to be based, the Administrator, in his discretion, shall have the right to designate any date in the interim as a Special Valuation Date for the purpose of revaluing the Fund so that the Participant's Account from which the distribution is being made will, prior to the distribution, reflect its share of such material difference in value.

Similarly, the Administrator may adopt a policy of providing for regular interim valuations without regard to the materiality of changes in the value of the Fund.

5.05. Directed Investments. Notwithstanding any other provision of this Plan, if the election has been made in either Sections 1.13. B. or C., or 1.14. A., then the Participant and/or Employer, as the case may be, may, by written direction, direct the Trustee as to the investment of the Trust assets. Upon the directions of an individual Participant, the Trustee shall segregate, and thereafter hold in a separate account for the benefit of such Participant the amount indicated. Such segregated amounts shall be accounted for separately from the remainder of the Fund. Following the establishment of the segregated account, such Account shall be credited or debited only with increases or decreases resulting from the investment or administration of such Account, except that the Trustee may charge such Account its pro rata portion of the fees and expenses incurred in the administration of the Plan, as well as fees and expenses properly chargeable only to such Account, unless the Participant pays such fees and expenses directly. The Trustee shall have no liability as to the propriety, prudence or results of any investments made by reason of directions. The election by a Participant to direct investments or to return to common investment with the Fund shall become effective as of the next Valuation

Date or Special Valuation Date which occurs at least 15 days following the receipt by the Employer (to be transmitted promptly to the Trustee) of written notice of direction from the Participant.

SECTION 6

LIFE INSURANCE

- 6.01. If the Employer has elected to allow insurance coverage under Section 1.11., the purchase of insurance shall be optional to each Participant. However, the insurance premiums may not exceed the amounts and/or percentages specified in Section 1.11.
- 6.02. If a Participant is not insurable at standard rates, or is insurable only at a special class rating, such Participant may elect either:
- (a) To pay the additional rating through voluntary contributions (provided the limits on voluntary contributions and annual additions are not exceeded) and have the full amount of insurance issued; or
 - (b) To have a reduced amount of insurance issued so as not to exceed the limitation premiums set forth in Section 1.11.
- 6.03. If a Participant is deemed to be uninsurable, the premiums allowable under Section 1.11. may be used to purchase an annuity policy.
- 6.04. Loans. Loans may be made against any of the Contracts purchased hereunder in order to pay the premiums as due. Any such loans shall be made on a pro rata basis against all Contracts on the lives of all Participants, such pro-ration being made on the basis of the net cash surrender value of such Contracts. For purposes of this Section,

all Contracts on the life of any Participant shall be treated as a single Contract. Repayment shall be made on the same basis and no loan shall be made on any Contract on the life of one Participant to pay premiums on any Contract on the life of another Participant.

- 6.05. Ownership. The Trustee shall be the complete and absolute owner of the Contracts held in this Trust and of each and every incident of ownership therein including the right to receive all payments thereunder and shall have the power to exercise the rights, options, and privileges of an absolute owner with respect to the Contracts subject to the provisions of the Plan and Trust. The Trustee shall have the power to deal with and settle claims, but shall not be obligated to do so until it has been indemnified against loss or the expense of settlement by the Employer. The Trustee may designate the Administrator as custodian of the Contracts.
- 6.06. Dividends. Any dividends which shall become payable under any Contract shall be applied to reduce the premiums on the Contract.
- 6.07. Validity. Neither the Employer, Trustee nor the Administrator shall be responsible for the validity of any Contract nor for the failure on the part of the Insurer to make payments provided by the Contract, nor for the action of any other person which may render the Contract null and void or

unenforceable in whole or in part.

6.08. Additional Provisions. Each Contract may contain "waiver of premium" "accidental death and dismemberment" and/or "guaranteed insurability option" provisions, if available. If the Participant elects to have these provisions, the cost shall be paid by the Participant directly.

6.09. Premium Payment Limitations. If the Trustee is not permitted to pay insurance premiums because of the limitations in Section 1.11., a Participant may direct the Trustee to make loans against the Contracts or personally pay any premiums due, which are unpaid because of said provision, provided he pays the unpaid premium out of his voluntary contribution account.

6.10. Limitation on Benefits Prior to Date Contract is in Force. If any eligible Participant shall die after having complied with all the requirements for participation and before a Contract shall be in force on his life, any Employer contribution required to pay the initial premium on the Contract shall be paid to the Beneficiary designated by the Participant, or in the absence of such designation, as provided in Section 8.03.

6.11. Power to Purchase Keyman Insurance. The Trustee, if so instructed by the Employer, shall purchase keyman life

insurance on the life of any Employee of the Employer (whether or not a Participant) who is considered essential to the successful operation of the Employer. Any such key-man life insurance policy shall be purchased as an investment asset of the Trust and not for the benefit or account of any Participant and the entire death benefit under any such policy shall be made payable to the Trustee.

SECTION 7

RETIREMENT BENEFITS

- 7.01. Retirement. A Participant who retires at his Normal Retirement Date shall be entitled to the value of his Accrued Benefit. If the Plan so provides under Section 1.10, a Participant may elect to retire early and receive benefits which shall be 100% of his Accrued Benefit. At the request of the Employer, a Participant may continue his employment past his Normal Retirement Date in which event his benefits shall be deferred to the date of his actual retirement and contributions shall continue to be made for him. The value of his benefits paid upon his actual retirement shall reflect the then current value of his Accrued Benefit.
- 7.02. A Participant shall be 100% vested in his Accrued Benefit upon meeting the requirements for Early or Normal Retirement and upon disability.
- 7.03. Joint and Survivor Automatic Payout. The normal form of benefit payable under the Plan for a Participant who retires at his Early or Normal Retirement Date shall be a Qualified

Joint and Survivor Annuity purchasable by the Accrued Benefit. However, if the Participant is unmarried at the annuity starting date, the normal form of benefit shall be an annuity payable for the life of the Participant.

7.04. Optional Methods of Settlement. At least 90 days prior to his Early or Normal Retirement Date, a Participant, with the consent of the Employer, may elect to receive payment of his benefits in any of the following ways:

- (a) In a lump sum.
- (b) Payable in equal installments (not less frequently than annually) for the life of the Participant by having an annuity policy purchased with 100% of his Accrued Benefit.
- (c) Payable for a period certain, not to exceed 20 years and thereafter for the life of the Participant, by having an annuity policy purchased with 100% of his Accrued Benefit.
- (d) Payable in any other manner as the Participant, the Trustee and the Administrator may agree, that will guarantee that over 50% of the proceeds will be for the benefit of the Participant.

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SECTION 8

DEATH BENEFITS

- 8.01. Death Benefit Payable. The death benefits payable upon the death of any Participant prior to his retirement shall be those amounts payable under the Contracts on his life plus 100% of the value of his Account. Any amounts in his voluntary Account shall be included in such death benefit. Notwithstanding anything to the contrary, if a person who was a Participant dies, but at the time of his death did not meet the Plan's eligibility requirements, except by reason of Early or Normal Retirement or Disability, then such person's death benefits under the Plan shall be the value of his Account as of the last previous Valuation Date multiplied by his vested percentage determined as of the day prior to his death plus the face amount of the Contracts, if any, payable by reason of the death.
- 8.02. Each Participant shall have the right, at any time, to designate a Beneficiary to receive such Death Benefit. Such designation shall be made by an instrument in writing, upon such form or forms as may be provided by the Administrator. Each such Participant also shall have the right, in the same manner, to revoke any such designation previously made and to designate another Beneficiary. The last such designation received by the Administrator in order of time shall revoke all prior designations.

8.03. If the Beneficiary named by a deceased Participant dies before the Participant or before complete payment of his benefits, and there is no living contingent Beneficiary named by such Participant, or if no Beneficiary has been named, payment shall be made in the following order of preference:

- (1) Spouse
- (2) Children, in equal shares, per stirpes
- (3) Parents, in equal shares, per stirpes
- (4) Brothers and Sisters, in equal shares, per stirpes
- (5) Nephews and Nieces, in equal shares, per stirpes
- (6) Equally to those persons who would have been heirs of the Participant had he died intestate.

8.04. Payment from the Account shall be made in a lump sum within 60 days after the end of the Plan Year in which the Participant dies. The Beneficiary may elect any mode of payment available under the Contracts with respect to death benefits payable under such Contracts.

SECTION 9

TERMINATION OF EMPLOYMENT

- 9.01. If employment is terminated due to Normal or Early Retirement or Disability, the Trustee shall pay to the Participant or his Beneficiaries 100% of the Accrued Benefit. Payment shall be in accordance with the provisions of Section 7, but payments shall commence no later than 60 days following the close of the Plan Year in which the Participant would have reached the earliest retirement date under the Plan or actually retires, whichever is later.
- 9.02. The vested portion of the Participant's Accrued Benefit shall be determined in accordance with the schedule selected in Section 1.08., and adjusted in accordance with the elections (if any) made in Section 1.09. Otherwise, in computing Years of Service for the purpose of vesting, all Years of Service with the Employer shall be included. However, Years of Service before January 1, 1971, shall be included only if the Employee has at least three Years of Service between January 1, 1971, and the Effective Date of this Plan. Also, if there was a predecessor Plan, Years of Service before the Effective Date of this Plan shall be computed under the rules of the predecessor Plan.

9.03. Upon termination of active participation in the Plan for any reason other than Normal or Early Retirement, Death or Disability, such Participant's Account shall be maintained without regard to such termination until the close of the Plan Year in which it is determined that a Break in Service has occurred. At the close of such Plan Year, the non-vested portion of such terminated Participant's Accrued Benefit shall be forfeited and disposed of in accordance with Section 5.03. Any vested portion of the Participant's Accrued Benefit shall be distributed in accordance with the selection made in Section 1.13. In no event shall distribution commence later than 60 days after what would have been the former Participant's Normal Retirement Date.

SECTION 10

DISTRIBUTION PROVISIONS

10.01. All distributions of benefits shall be determined on the last day of the Plan Year. However, the Administrator, on a non-discriminatory basis, may provide for a partial distribution to a Participant or Beneficiary (who qualifies for benefits under the Plan) prior to the next Valuation Date. In the event that a Special Valuation Date is not declared, such partial distribution shall not exceed 50% of the value of the Participant's Account on the most recent prior Valuation Date, plus 100% of the proceeds of any Contracts on his life.

SECTION 11

AMENDMENT AND TERMINATION

11.01. Employer Reserves Right to Amend or Terminate Agreement.

- (a) The Employer expressly reserves the right to alter, amend or terminate this Plan and Trust (including elections made in Section 1); provided, however, no such alteration, amendment or termination shall deprive any Participant or Beneficiary of any vested interest hereunder, and further provided, that no amendment may be made which changes the vesting schedule with respect to the benefit of any Participants unless each Participant with 5 or more years of Service is permitted to elect to have the old vesting schedule used to determine his vested benefit.
- (b) Any amendment shall be in writing, approved by the Board of Directors of the Employer, with copies furnished to the Trustee and the Administrator provided that no amendment shall increase the duties of the Trustee and/or Administrator without their consent.

Employer reserves the right to terminate this Plan at any time. Upon termination, partial termination or upon permanent discontinuance of Employer contributions, the interest of each Participant shall become fully vested and non-forfeitable.

- 11.02. Upon termination or partial termination of the Plan by a resolution of the Board of Directors of the Employer, the Trustee shall, within 60 days after the next Valuation Date, distribute to the Participants 100% of the Accrued Benefit of each Participant. Upon the permanent discontinuance of Employer contributions, the Trustee shall continue to invest the assets of the Plan for the benefit of the Participants and distributions are to be made in accordance with the other provisions of the Plan relating to distributions.

SECTION 12

TRUST FUND INVESTMENTS

12.01. Investment Policy. This Plan has been established for the sole purpose of providing benefits to the Participants and their Beneficiaries. The Trustee shall hold and invest all moneys contributed hereunder in trust for the benefit of the Participants and their Beneficiaries in accordance with the provisions of this document and any and all laws and regulations as may be lawfully issued.

12.02. The Trustees shall have the following powers and authority in the administration of the Trust Fund, in their uncontrolled discretion:

- (a) To purchase or subscribe to any securities or other property and to retain in trust such securities or other property.
- (b) To sell for cash or on credit, to grant options, convert, redeem, exchange for other securities or other property, or otherwise to dispose of any securities or other property at any time held by them.
- (c) To settle, compromise or submit to arbitration, any claims, debts or damages, due or owing to or from the Trust, to commence or defend suits or legal proceedings and to represent the Trust in all suits or legal proceedings.
- (d) To exercise any conversion privilege and/or subscription right available in connection with any securities or other property at any time held by them, to oppose or to consent to the reorganization, consolidation, merger or readjustment of the finances of any corporation, company or association or to sell, mortgage, pledge or lease such property of any corporation,

company, or association of any of the securities of which may at any time be held by them, and to do any act with reference thereto, including the exercise of options, the making of agreements or subscriptions and the payment of expenses, assessments or subscriptions, which may be deemed necessary or advisable in connection therewith, and to hold and retain any securities or other property which they may so acquire.

- (e) To exercise, personally or by general or by limited power of attorney, any right, including the right to vote, appurtenant to any securities or other property held by them at any time.
- (f) To borrow money from any lender in such amounts and upon such terms and conditions as shall be deemed advisable or proper to carry out the purposes of the Trust and to pledge any securities or other property for the repayment of any such loan.
- (g) To manage, administer, operate, lease for any number of years, regardless of any restrictions on leases made by fiduciaries, develop, improve, repair, alter, demolish, mortgage, pledge, grant options with respect to, or otherwise deal with any real property or interest therein at any time held by them, and to hold any such real property in their own name or in the name of a nominee, with or without the addition of words indicating that such property is held in a fiduciary capacity, and to cause to be formed a corporation or trust to hold title to any such real property with the aforesaid powers, all upon such terms and conditions as may be deemed advisable.
- (h) To renew or extend or participate in the renewal or extension of any mortgage, upon such terms as may be deemed advisable, and to agree to a reduction in the rate of interest on any mortgage or to any other modification or change in the terms or of any mortgage or of any guarantee pertaining thereto, in any manner and to any extent that may be deemed advisable for the protection of the Trust Fund or the preservation of the value of the investment; to waive any default whether in the performance of any covenant or condition of any mortgage or in the performance of any guarantee, or to enforce any such default in such

manner and to such extent as may be deemed advisable; to exercise and enforce any and all rights of foreclosure, to bid in property on foreclosure, to take a deed in lieu of foreclosure, with or without paying a consideration therefore, and, in connection therewith, to release the obligation on the bond secured by such mortgage, and to exercise and enforce in any action, suit or proceeding at law or in equity any rights or remedies in respect to any such mortgage or guarantee.

- (i) To hold part of the Trust uninvested.
- (j) To employ suitable agents, counsel and accountants, and to pay their reasonable expenses and compensation.
- (k) To make, execute and deliver, as Trustees, any and all deeds, leases, mortgages, conveyances, contracts, waivers, releases or other instruments in writing necessary or proper for the accomplishment of any of the foregoing powers.
- (l) To invest and reinvest the Trust assets in real property and in mortgages, stocks, bonds and mutual investment funds or plans for the accumulation of mutual fund shares, and to make loans as the Trustees see fit. Without limiting the foregoing, the Trustees shall also have the right to invest and reinvest the Fund by depositing the same in interest bearing accounts at Savings Banks, Commercial Banks or Savings and Loan Associations.
- (m) If elected in Section 1.16. A. to make loans to Participants and Beneficiaries so long as such loans are available to all such Participants and Beneficiaries on a reasonably equivalent basis; such loans are not made available to highly compensated employees, officers, or shareholders of the Employer in an amount greater than the amount made available to other Employees; such loans bear a reasonable rate of interest; and such loans are adequately secured.
- (n) If elected in 1.16. B., to acquire or hold qualifying Employer real property and/or qualifying Employer

securities as defined under the Employee Income Retirement Security Act of 1974, as amended, and any regulations promulgated thereunder.

- (o) The preceding powers are listed by way of example and not by way of limitation, and the Trustees shall have such additional powers as may be necessary and proper for them to carry out their duties hereunder.

12.03. The words "securities or other property" as used in this Agreement shall be deemed to refer to any property, real or personal or part interest therein, wherever situated, including but without being limited to governmental, corporate or personal obligations, trust and participation certificates, leaseholds, fee titles, mortgages and other interests in realty, preferred and common stocks, and any other evidences of indebtedness or ownership, even though the same may not be legal investments for Trustees under the laws applicable hereto.

12.04. Investment Manager. The Employer, reserves the right to retain the services of one or more persons or firms for the management of (including the power to acquire and dispose of) all or any part of the Trust Fund, provided that each of such persons or firms is registered as an investment advisor under the Investment Advisors Act of 1940, is a bank (as defined in that Act), or is an insurance company qualified to manage, acquire, or dispose of trust assets under

the laws of more than one state, and provided that each of such persons or firms has acknowledged in writing that he is a fiduciary with respect to the Plan; in such event, the investment manager or managers shall have the same investment powers and duties of the Trustee, and the Trustee shall not be liable for the acts or omissions of such investment manager or managers, nor shall it be under any obligation to invest or otherwise manage any Trust Fund assets which are subject to the management of such investment manager or managers.

SECTION 13

THE TRUSTEE

- 13.01. Creation and Acceptance of Trust. The Trustee, by joining in the execution of the Trust Agreement, accepts the Trust hereby created, agrees to act in accordance with the express terms and conditions herein stated, and consents to becoming one of the named Fiduciaries hereunder. The Trustee shall have all powers necessary for the performance of his duties hereunder.
- 13.02. Removal or Resignation. Any Trustee may resign with 30 days notice in writing addressed to the Employer. The Board of Directors of the Employer shall have power to remove a Trustee on written notice and to fill vacancies in the Trustees. The appointment of a Trustee shall become effective upon his acceptance in writing addressed to the Employer and Administrator.
- 13.03. No Trustee shall be precluded from becoming a Participant under this Trust upon his meeting the requirements for eligibility.
- 13.04. Records. The Trustee shall keep records of the assets of the Trust and shall annually, or more frequently if requested by the Administrator, file accountings of his acts.

13.05. Disputes. The Trustee shall have the right to judicial settlement of disputes. In the event that any dispute shall arise as to any act to be performed by the Trustee, the Trustee may postpone performance until adjudication of such dispute in a court of competent jurisdiction or until they shall have been indemnified against loss to their satisfaction. However, the court shall have jurisdiction only for the purpose of settling the dispute.

13.06. The Trustee shall be under no duty to collect contributions from the Employer, or to determine questions relating to the Employer's records.

13.07. The Trustee shall have no liability or responsibility for the propriety, prudence or results of any investments made pursuant to directions under Section 1.13.B. or C.

SECTION 14

THE INSURER

- 14.01. The Insurer is not a party to this Agreement, and has no responsibility for its validity, and no person at any time may make the Insurer a party hereto.
- 14.02. The responsibilities of the Insurer shall be limited to the terms of its contracts. All modifications, alterations or changes in this Agreement shall be made known to the Insurer in writing.
- 14.03. The Insurer shall deal with the Trustee, or his representative as the sole owners of the Policies issued under this Trust. The Insurer shall be fully protected in relying on the statements of the Trustee.
- 14.04. The Insurer may expect this Trust to continue in force as is, and the named Trustee to continue as the Trustee of this Trust until notified otherwise in writing at its Home Office.
- 14.05. Employer Not Responsible for Acts of Insurer. The Employer shall not be responsible for any of the following nor shall it be liable for instituting action in connection with the same:
- (a) The validity of life insurance or annuity policies or policy provisions;
 - (b) Failure or refusal by the Insurer to provide benefits under a Policy;
 - (c) An act by a person which may render a policy invalid or unenforceable;

(d) Inability to perform or delay in performing an act, which inability or delay is occasioned by a provision of a policy or a restriction imposed by the Insurer.

SECTION 15

THE ADMINISTRATOR

15.01. Designation and Acceptance. The Employer may designate that person or entity to serve as Administrator who shall signify their acceptance of this responsibility in writing as a named Fiduciary of the Plan.

15.02. Resignation and Removal; Appointment of Successor. The Administrator may resign at any time by delivering to the Employer a written notice of resignation, to take effect at a date specified therein, which shall not be less than thirty (30) days after the delivery thereof, unless such notice shall be waived.

The Administrator may be removed with or without cause by the Employer by delivery of written notice of removal, to take effect at a date specified therein, which shall be not less than thirty (30) days after delivery thereof, unless such notice shall be waived.

The Employer, upon receipt of or giving notice of the resignation or removal of the Administrator, shall promptly designate a successor Administrator who must signify ac-

ceptance of this position in writing. In the event no successor is appointed, the President of the Employer will function as the Administrator until a new Administrator has been appointed and has accepted such appointment.

15.03. Duties and Responsibility. The primary responsibility of the Administrator is to administer the Plan for the exclusive benefit of the Participants and their Beneficiaries, subject to the specific terms of the Plan. The Administrator shall administer the Plan and shall construe this Plan and Agreement and determine all questions of interpretation or policy in a manner not inconsistent with this Agreement and his construction or determination in good faith shall be final and conclusive. The Administrator may correct any defect, supply any omission, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of this Agreement; provided, however, that any interpretation or construction shall be done in a non-discriminatory manner and shall be consistent with the intent that the Plan shall continue to be deemed a qualified Plan under the terms of the Internal Revenue Code of 1954, as amended, and shall comply with the terms of

the Employee Retirement Income Security Act of 1974, as amended, and all Regulations issued pursuant thereto.

The Administrator shall have all powers necessary or appropriate to accomplish his duties under this Plan.

The Administrator shall be charged with the duties of the general administration of the Plan, including but not limited to, the following:

- (a) To determine all questions relating to the eligibility of Employees to participate in or remain a Participant hereunder;
- (b) To compute, certify and direct the Trustee with respect to the amount and kind of benefits to which any Participant shall be entitled hereunder;
- (c) To authorize and direct the Trustee with respect to all disbursements from the Trust;
- (d) To maintain all the necessary records for the administration of the Plan;
- (e) To interpret the provisions of the Plan and to make and publish such rules for regulation of the Plan as are not inconsistent with the terms hereof;
- (f) To advise the Trustee regarding the short and long term needs of the Plan in order that the Trustee might direct its investments accordingly;
- (g) To advise, counsel and assist any Participant regarding any rights, benefits or elections available under the Plan;
- (h) The Administrator shall also be responsible for preparing and filing such annual disclosure reports and tax forms as may be required from time to time by the Secretary of Labor or the Secretary of the Treasury.

- (i) The Administrator shall make copies of the Plan description and the latest annual report and any bargaining agreement, trust agreement, contract or other instruments under which the Plan was established or is operated available for examination by any Plan Participant or Beneficiary in the principal office of the Administrator and the Employer.
- (j) Whenever it is determined by the Administrator to be in the best interest of the Plan and its Participants or Beneficiaries, the Administrator may request such variances, deferrals, extensions, or exemptions or make such elections for the Plan as may be available under the law.
- (k) To compute and certify to the Employer and to the Trustee initially and for each Plan year the sum of money necessary to be contributed to the Fund.

15.04. Expenses and Compensation. All expenses necessary to administer the Plan shall be borne by the Plan, but may, in the discretion of the Employer, be paid directly by the Employer, including but not limited to those involved in retaining necessary professional assistance from a professional administrator, an attorney, an accountant, an actuary, or an investment advisor or the purchase of fiduciary liability insurance. Nothing shall prevent the Administrator from receiving reasonable compensation for services rendered in administering this Plan, provided the Administrator is not a Full Time Employee of any Employer creating this Plan.

15.05. Information From Employer. To enable the Administrator to perform his functions, the Employer shall supply full

and timely information to the Administrator on all matters relating to the compensation of all Participants, their continuous regular employment, their retirement, death, disability or termination of employment, and such other pertinent facts as the Administrator may require; and the Administrator shall advise the Trustee of such of the foregoing facts as may be pertinent to the Trustee's duties under the Plan. The Administrator is entitled to rely on such information as is supplied by the Employer and shall have no duty or responsibility to verify such information.

15.06. Disputes: The Administrator shall have the right to judicial settlement of disputes. In the event that any dispute shall arise as to any act to be performed by the Administrator, the Administrator may postpone performance until adjudication of such dispute in a court of competent jurisdiction or until they shall have been indemnified against loss to their satisfaction. However, the court shall have jurisdiction only for the purpose of settling the dispute.

SECTION 16

MISCELLANEOUS

- 16.01. No benefits under the Plan shall, in any manner, be alienated, assigned, pledged or encumbered, nor shall any benefits in any manner be liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled to such benefits as herein provided for him.
- 16.02. Unless the context requires otherwise, wherever used in this Plan, the masculine gender shall include the feminine and neuter gender, and the singular shall include the plural, and vice versa.
- 16.03. Except as otherwise provided in this Section 16.03., the assets of the Plan shall never inure to the benefit of the Employer and shall be held for the exclusive purposes of providing benefits to Participants in the Plan and their Beneficiaries, and defraying reasonable expenses of administering the Plan. The Employer contributions hereunder are conditioned on initial qualification of the Plan under Section 401 of the Internal Revenue Code of 1954, as amended, and such contribution may be returned to the Employer if the Plan is not initially qualified.

16.04. Claims Procedures. For purposes of receiving benefits under this Plan, a claim shall be filed. A claim is a request by a Participant or Beneficiary for a benefit under the Plan, and must be filed with the Administrator within 2 years from the date such benefit is initially due. Such claim shall be in writing and may be filed by either the claimant or the claimant's authorized representative. If a claim is wholly or partially denied by the Administrator, written notice setting forth the specific reason or reasons for denial, containing a specific reference to the Plan provisions on which the denial is being based, and a description of any additional material or information needed by the Administrator in order to perfect the claim and an explanation of why such material or information is necessary shall be sent to the claimant or his authorized representative. This written notice shall also contain an explanation of the Plan's claim review procedure. The written notice shall be mailed within 60 days of receipt by the Administrator of a claim. A claimant or his representative may within 120 days of receipt of the denial of the claim, appeal the denial of the claim and request a review of pertinent documents or may submit issues and comments to the Administrator by filing written notice of the

appeal with the Administrator. Within 60 days after receipt of an appeal, the Administrator shall render a decision in writing including the specific reasons with specific references to the pertinent Plan provisions on which the decision is based.

16.05. Binding on Parties. Persons claiming an interest or benefit under the Plan shall perform any and all acts including the execution of papers which may be necessary for carrying out its terms. This Plan and acts and decisions made by the Trustee and Administrator and the Employer shall be binding upon the heirs, executors, administrator, successors and assigns of any party hereto or any person claiming any benefit hereunder.

16.06. Interpretation and Administration. This Plan and Trust, created in the United States, embodies a Qualified Employee Benefit Plan of the Employer. It is for the exclusive benefit of persons employed by each Employer and their Beneficiaries and with respect to the Employer and its Employees shall be interpreted and administered in a manner consistent with the requirements of all applicable laws, including but not limited to the Internal Revenue Code and the Employee Retirement Income Security Act of 1974, as amended. Wherever in this Plan discretionary power is given to any

party, or wherever an interpretation shall be made, it shall be made in a non-discriminatory manner.

16.07. Allocation of Responsibilities. Unless provided otherwise herein, all responsibility for determining eligibility for participation, vesting, computation of benefits, authorization to pay benefits, and maintenance of accounts shall be with the Administrator. Responsibility for investment of trust assets and payment of benefits shall lie with the Trustee. Responsibility for distribution of reporting and disclosure material to Participants and Beneficiaries shall be with the Employer. The Employer shall also be responsible for maintenance of Compensation and employment records which will allow the Administrator to compute benefits. Other areas of responsibility not specifically allocated shall be allocated as the Employer, the Administrator and the Trustee may mutually agree.

16.08. Merger or Consolidation. In case of any merger or consolidation with, or transfer of assets or liabilities to any other plan, each Participant's benefit immediately after such merger, consolidation, or transfer shall not be less than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer (if the Plan had then terminated).

16.09. The Employer may appoint an agent empowered to accept service of legal process for the Plan and the Employer shall make such appointment known to the Administrator. In the absence of such appointment, the resident agent of the Employer shall be empowered to accept service of legal process for the Plan.

16.10. Payment on Behalf of Infant or Incompetent. If any person to whom a benefit is payable under any provisions of this Plan is an infant, or if the Trustee determines that any person to whom such benefit is payable is incompetent by reason of physical or mental disability, the Trustee shall have the power to cause the payments becoming due to such person to be made to another for his benefit without responsibility of the Trustee to see to the application of such payments.

IN WITNESS WHEREOF, the Parties hereto, being duly authorized, have hereunto set their hands and seals the day and year first written above.

THE EMPLOYER

CATALINA ENTERPRISES, INC.

ATTEST:

Samuel Mitchell
Secretary

BY: *William H. ...* (SEAL)
President

THE TRUSTEE

Charles ...
Witness

William H. ... (SEAL)
Trustee

FIRST AMENDMENT

TO

CATALINA ENTERPRISES, INC.

PENSION PLAN

Pursuant to the provisions of Section 11.01 of the Catalina Enterprises, Inc., Pension Plan effective as amended and restated on January 1, 1976, said agreement is hereby amended in the following respects:

1. In Section 1.06 the clause "for every active Participant who is such on the last day of the Plan Year" is deleted and the clause "for every Participant who had 1000 or more Hours of Service during the Plan Year" is inserted in its place:

2. Section 2.21 is deleted and the following is inserted in its place:

"2.21. 'Hours of Service' shall mean

(a) Each Hour of Service for which the Employer either directly or indirectly pays an Employee, or for which the Employee is entitled to payment for the performance of duties during the Plan Year. Hours of Service shall be credited under this paragraph (a) to the Employee for the Plan Year in which the Employee performs the duties, irrespective of when paid;

(b) Each Hour of Service for back pay, irrespective of mitigation of damages, to which the Employer has agreed or for which the Employee has received an award. Hours of Service shall be credited under this paragraph (b) to the Employee for the Plan Year(s) to which the

award or the agreement pertains rather than for the Plan Year in which the award, agreement or payment is made; and

(c) Each Hour of Service for which the Employer, either directly or indirectly, pays an Employee, or for which the Employee is entitled to payment (irrespective of whether the employment relationship is terminated) for reasons other than for the performance of duties during a Plan Year, such as leave of absence, vacation, holiday, sick leave, illness, incapacity (including disability), layoff, jury duty or military duty. Hours of Service shall be credited under this paragraph (c) for the Plan Year in which the Employer pays Employee, the Employee becomes entitled to payment or the payment becomes due, whichever occurs first. Notwithstanding the preceding provisions of this paragraph (c), there shall not be credited:

(1) More than 501 Hours of Service under this paragraph (c) to an Employee on account of any single continuous period during which the Employee does not perform any duties (whether or not such period occurs during a single Plan Year);

(2) An Hour of Service to an Employee on account of a period during which the Employee does not perform any duties if the payment the Employer makes (or the payment due) is under a plan maintained solely for the purpose of complying with the applicable workmen's compensation law, unemployment compensation law or disability insurance law; and

(3) An Hour of Service for a payment to an Employee which solely reimburses the Employee for medical or medically related expenses incurred by the Employee.

Hours of Service shall not be credited under more than one of the above paragraphs. Furthermore, if Hours of Service are to be credited to an Employee for the 12 month period beginning with the Employee's employment commencement date, then the 12 month period shall be substituted for the term 'Plan Year' wherever the later term appears in this Section.

Any ambiguities with respect to crediting Hours of Service shall be resolved in favor of the Employee. Furthermore, in crediting Hours of Service under this Section, rules contained in Labor Regulations §2530.200b-2 (b) and (c) shall be applied, and by this reference, such rules are hereby incorporated in full into this Section."

3. Section 3.01 is deleted and the following is inserted in its place:

"3.01 Eligibility Requirement. Each present and future employee of the Employer who meets all of the eligibility requirements shall participate in the Plan on the first Entry Date after meeting those requirements provided he is still employed on the Entry Date.

Employees who terminate service with the Employer and are re-employed shall participate in the Plan as follows:

(a) If an Employee's service is terminated before he entered the Plan, then upon re-employment he shall be considered as a new Employee for purposes of qualifying to participate in this Plan.

(b) If an Employee's service is terminated after participation has commenced and is re-hired before a Break in Service occurs, then such Employee shall continue participation in the Plan as if he had never been terminated and re-hired.

(c) If an Employee's service is terminated after participation has commenced and is re-hired after there is at least a one year Break in Service, then such Employee must again meet all the eligibility requirements of the plan, but upon doing so, he shall re-enter the Plan as of his date of re-hire."

4. In Section 4.01 beginning with "Notwithstanding the foregoing, the Employer shall have ..." to the end of Section 4.01 is deleted.

5. Section 8.04 is deleted and the following is inserted in its place:

"8.04 Death benefits shall be distributed according to the instructions of the deceased Participant. In the absence of instructions the death benefits shall be made available to the Beneficiary within 60 days after the close of the Plan Year in which the Participant dies and the death benefits shall be distributed as the Beneficiary may elect. All instructions regarding the distribution of death benefits shall be subject

to the approval of the Employer and Trustee which shall be granted or withheld in a non-discriminatory manner."

6. Section 16.03 is deleted and the following is inserted in its place:

"16.03 (a) Except as otherwise provided in this Section 16.03, the assets of the Plan shall never inure to the benefit of the Employer and shall be held for the exclusive purposes of providing benefits to Participants in the Plan and their Beneficiaries, and defraying reasonable expenses of administering the Plan.

(b) The Employer contributions hereunder are conditioned on initial qualification of the Plan under Section 401 of the Internal Revenue Code of 1954, as amended, and such contribution may be returned to the Employer if the Plan is not initially qualified.

(c) Additionally, upon termination of this Plan, amounts which are held unallocated in a suspense account, upon the request of the Employer shall be returned.

(d) In the case in which any Employer Contribution is made under a mistake of fact, such contribution shall, upon the written request of the Employer made within one year of the contribution, be returned.

(e) The Employer Contributions hereunder are conditioned upon the qualification of this Plan under Section 401 of the Internal Revenue Code; if the Plan is held not to qualify, such contributions shall, upon

the written request of the Employer made within one year of the denial of such qualification, be returned.

(f) The Employer Contributions hereunder are conditioned upon their deductibility under Section 404 of the Internal Revenue Code; if all or any part of a deduction is disallowed, then, upon the written request of the Employer made within one year of such disallowance, such contribution (to the extent of the disallowance) shall be returned.

(g) Paragraphs (d), (e), and (f) above shall not be effective until the Internal Revenue Service issues rulings on regulations allowing such provisions, and then they shall be effective to the extent allowed in the rulings or regulations."

7. The provisions of this amendment shall be effective retroactively to January 1, 1976.

IN WITNESS HEREOF, the parties hereto have caused these presents to be duly executed this 21 day of November, 1977.

THE EMPLOYER

ATTEST:

CATALINA ENTERPRISES, INC.

Seyman Miller

Secretary

BY: Richard Shofer

President

THE TRUSTEE

Seyman Miller

Witness

Richard Shofer

Richard Shofer - Trustee

FIRST AMENDMENT
TO
CATALINA ENTERPRISES, INC.
PENSION PLAN

Pursuant to the provisions of Section 11.01 of the Catalina Enterprises, Inc., Pension Plan effective as amended and restated on January 1, 1976, said agreement is hereby amended in the following respects:

1. In Section 1.06 the clause "for every active Participant who is such on the last day of the Plan Year" is deleted and the clause "for every Participant who had 1000 or more Hours of Service during the Plan Year" is inserted in its place:

2. Section 2.21 is deleted and the following is inserted in its place:

"2.21 'Hours of Service' shall mean

(a) Each Hour of Service for which the Employer either directly or indirectly pays an Employee, or for which the Employee is entitled to payment for the performance of duties during the Plan Year. Hours of Service shall be credited under this paragraph (a) to the Employee for the Plan Year in which the Employee performs the duties, irrespective of when paid;

(b) Each Hour of Service for back pay, irrespective of mitigation of damages, to which the Employer has agreed or for which the Employee has received an award. Hours of Service shall be credited under this paragraph (b) to the Employee for the Plan Year(s) to which the

award or the agreement pertains rather than for the Plan Year in which the award, agreement or payment is made; and

(c) Each Hour of Service for which the Employer, either directly or indirectly, pays an Employee, or for which the Employee is entitled to payment (irrespective of whether the employment relationship is terminated) for reasons other than for the performance of duties during a Plan Year, such as leave of absence, vacation, holiday, sick leave, illness, incapacity (including disability), layoff, jury duty or military duty. Hours of Service shall be credited under this paragraph (c) for the Plan Year in which the Employer pays Employee, the Employee becomes entitled to payment or the payment becomes due, whichever occurs first. Notwithstanding the preceding provisions of this paragraph (c), there shall not be credited:

(1) More than 501 Hours of Service under this paragraph (c) to an Employee on account of any single continuous period during which the Employee does not perform any duties (whether or not such period occurs during a single Plan Year);

(2) An Hour of Service to an Employee on account of a period during which the Employee does not perform any duties if the payment the Employer makes (or the payment due) is under a plan maintained solely for the purpose of complying with the applicable workmen's compensation law, unemployment compensation law or disability insurance law; and

(3) An Hour of Service for a payment to an Employee which solely reimburses the Employee for medical or medically related expenses incurred by the Employee.

Hours of Service shall not be credited under more than one of the above paragraphs. Furthermore, if Hours of Service are to be credited to an Employee for the 12 month period beginning with the Employee's employment commencement date, then the 12 month period shall be substituted for the term 'Plan Year' wherever the later term appears in this Section.

Any ambiguities with respect to crediting Hours of Service shall be resolved in favor of the Employee. Furthermore, in crediting Hours of Service under this Section, rules contained in Labor Regulations §2530.200b-2 (b) and (c) shall be applied, and by this reference, such rules are hereby incorporated in full into this Section."

3. Section 3.01 is deleted and the following is inserted in its place:

"3.01 Eligibility Requirement. Each present and future employee of the Employer who meets all of the eligibility requirements shall participate in the Plan on the first Entry Date after meeting those requirements provided he is still employed on the Entry Date.

Employees who terminate service with the Employer and are re-employed shall participate in the Plan as follows:

(a) If an Employee's service is terminated before he entered the Plan, then upon re-employment he shall be considered as a new Employee for purposes of qualifying to participate in this Plan.

(b) If an Employee's service is terminated after participation has commenced and is re-hired before a Break in Service occurs, then such Employee shall continue participation in the Plan as if he had never been terminated and re-hired.

(c) If an Employee's service is terminated after participation has commenced and is re-hired after there is at least a one year Break in Service, then such Employee must again meet all the eligibility requirements of the plan, but upon doing so, he shall re-enter the Plan as of his date of re-hire."

4. In Section 4.01 beginning with "Notwithstanding the foregoing, the Employer shall have ..." to the end of Section 4.01 is deleted.

5. Section 8.04 is deleted and the following is inserted in its place:

"8.04 Death benefits shall be distributed according to the instructions of the deceased Participant. In the absence of instructions the death benefits shall be made available to the Beneficiary within 60 days after the close of the Plan Year in which the Participant dies and the death benefits shall be distributed as the Beneficiary may elect. All instructions regarding the distribution of death benefits shall be subject

to the approval of the Employer and Trustee which shall be granted or withheld in a non-discriminatory manner."

6. Section 16.03 is deleted and the following is inserted in its place:

"16.03 (a) Except as otherwise provided in this Section 16.03, the assets of the Plan shall never inure to the benefit of the Employer and shall be held for the exclusive purposes of providing benefits to Participants in the Plan and their Beneficiaries, and defraying reasonable expenses of administering the Plan.

(b) The Employer contributions hereunder are conditioned on initial qualification of the Plan under Section 401 of the Internal Revenue Code of 1954, as amended, and such contribution may be returned to the Employer if the Plan is not initially qualified.

(c) Additionally, upon termination of this Plan, amounts which are held unallocated in a suspense account, upon the request of the Employer shall be returned.

(d) In the case in which any Employer Contribution is made under a mistake of fact, such contribution shall, upon the written request of the Employer made within one year of the contribution, be returned.

(e) The Employer Contributions hereunder are conditioned upon the qualification of this Plan under Section 401 of the Internal Revenue Code; if the Plan is held not to qualify, such contributions shall, upon

the written request of the Employer made within one year of the denial of such qualification, be returned.

(f) The Employer Contributions hereunder are conditioned upon their deductibility under Section 404 of the Internal Revenue Code; if all or any part of a deduction is disallowed, then, upon the written request of the Employer made within one year of such disallowance, such contribution (to the extent of the disallowance) shall be returned.

(g) Paragraphs (d), (e), and (f) above shall not be effective until the Internal Revenue Service issues rulings on regulations allowing such provisions, and then they shall be effective to the extent allowed in the rulings or regulations."

7. The provisions of this amendment shall be effective retroactively to January 1, 1976.

IN WITNESS HEREOF, the parties hereto have caused these presents to be duly executed this 5th day of Feb., 1976.

THE EMPLOYER

ATTEST:

CATALINA ENTERPRISES, INC.

Seymour M. Cole
Secretary

BY: Richard Shofer
President

THE TRUSTEE

Samuel J. Seuchamp
Witness

Richard Shofer
Richard Shofer - Trustee

SECOND AMENDMENT

TO

CATALINA ENTERPRISES, INC.

PENSION PLAN

Pursuant to the provisions of Section 11.01 of the Catalina Enterprises, Inc. Pension Plan, effective as amended and restated on January 1, 1976, said agreement is hereby amended in the following respects:

1. Section 1.05 is deleted and the following is inserted in its place:

"1.05 Eligibility. Except as provided below, each Employee of the Employer shall be eligible to participate on the Entry Date which is coincident with or next following the date the Employee shall have attained Age 25 and shall have been employed by the Employer for one Year of Service as defined in Section 2.31A. This Plan shall have two Entry Dates each Plan Year, January 1st and July 1st.

Employees whose employment is governed by the terms of a collective bargaining agreement (as defined by the Secretary of Labor) between employee representatives and the Employer under which retirement benefits were the subject of good faith bargaining between said employee representatives and the Employer shall at no time be considered eligible to commence or to continue participation in this Plan."

2. Section 1.06 is deleted and the following is inserted in its place:

"1.06 Contribution Formula: For each Plan Year the Employer shall contribute on behalf of each Participant:

A. Who had 1,000 or more Hours of Service during the Plan Year, regardless of employment status at the end of the Plan Year; or,

B. Who died during the Plan Year; or,

C. Who retired during the Plan Year, or

D. Who was on leave of absence during the Plan Year;
or,

E. Who became disabled during the Plan Year;

as follows:

The contribution on behalf of each eligible Participant shall be an amount equal to 11.63% of each eligible Participant's Compensation, plus 7% of each eligible Participant's Compensation in excess of \$10,800. The Employer's contribution shall be reduced by the amount of Forfeitures occurring during the Plan Year."

3. Section 1.08 is deleted and the following is inserted in its place:

1.08	<u>VESTING</u>
<u>Years of Service</u>	<u>Nonforfeitable Percentage</u>
Less Than 1	0%
1	10%
2	20%
3	30%
4	40%
5	50%
6	60%
7	70%
8	80%
9	90%
10 or more	100%

(See Section 2.31B for exclusions from vesting.)

In any event each Participant shall be 100% vested by the later of (i) his sixty-fifth birthday or (ii) the tenth anniversary of his commencement of participation in this Plan.

Additionally, all Participants who were Participants on December 31, 1973, shall be 100% vested in their Accrued Benefits as of that date."

4. Sections 1.09 and 1.12 are deleted and the word "RESERVED" is inserted in its place.

5. Section 2.16 is deleted and the following is inserted in its place:

"2.16 'Entry Date' shall mean the date on which an eligible Employee commences participation in this Plan. This Plan shall have two Entry Dates each year, January 1st and July 1st.

Employees shall enter the Plan as of the first Entry Date which is coincident with or next following the time they meet the eligibility requirements, provided they are still employed on the Entry Date."

6. Paragraph (c) of Section 2.21 is deleted and the following is inserted in its place:

"(c) Each Hour of Service for which the Employer, either directly or indirectly, pays an Employee, or for which the Employee is entitled to payment (irrespective of whether the employment relationship is terminated) for reasons other than for the performance of duties during a Plan Year, such as leave of absence, vacation, holiday, sick leave, illness, incapacity (including disability), layoff, jury duty or military duty. Hours of Service shall be credited under this paragraph (c) for the Plan Year(s) in which the nonperformance occurs. Notwithstanding the preceding provisions of this paragraph (c), there shall not be credited:"

7. Section 2.31 is deleted and the following is inserted in its place:

"2.31 'Years of Service' shall be defined and computed as follows:

A. Eligibility Computation -- For purposes of computing the one Year of Service required for eligibility under Section 1.05, it shall begin with the date employment commences and the Employee shall not be eligible until the first Entry Date which occurs 12 months after the employment commencement date, provided the Employee has at least 1,000 Hours of Service during that first 12 month period.

If the Employee fails to complete at least 1,000 Hours of Service during that first 12 month period then he shall be eligible to enter the Plan on the first Entry Date after he completes 1,000 or more Hours of Service during the preceding Plan Year.

B. Vesting Computation -- Vesting shall be computed upon the Plan Year subject to the following:

1. For Plan Years which began on or after January 1, 1976, 1,000 or more Hours of Service during a Plan Year shall give a Participant one Year of Service for purposes of vesting. For Plan

Years which began before January 1, 1976, 12 months of service during a Plan Year shall give a Participant one Year of Service for purposes of vesting.

2. Unless otherwise provided pre and post Break Years of Service shall be aggregated for vesting purposes.

3. Nonvested Participants -- In the case of any Participant who has at least a one year Break in Service before he has any vested Accrued Benefit, Years of Service before any one year Break in Service shall not be counted if the number of consecutive one year Breaks in Service equals or exceeds the aggregate number of Years of Service prior to such break. Such "aggregate number of Years of Service prior to such break" shall not include any Years of Service not required to be taken into account by reason of any prior application of this paragraph.

4. In computing vesting, service prior to December 28, 1971, the original Effective Date of the Plan, shall be excluded.

5. In computing vesting, Years of Service completed before the Participant attained Age twenty-two (22) shall be excluded.

6. In the event the Employer is a member of a controlled group, as defined in Section 1563 of the Internal Revenue Code of 1954, as amended, then unless service can be excluded under 1 through 5 above, all service with any component member of the controlled group shall be aggregated."

8. Sections 3.01, 3.02 and 3.03 are deleted and the following Sections are inserted in their places:

"3.01. Eligibility Requirements.

A. Each present and future Employee of the Employer who meets all of the eligibility requirements shall commence participation in the Plan on the first Entry Date coincident with or next following the time when all the eligibility requirements are met provided he is still employed on such date. Such person shall continue his participation until he incurs a Break in Service, or fails to meet the eligibility requirements.

B. In the event a Participant becomes ineligible to participate because he is no longer a member of an eligible class of Employees, but has not incurred a Break in Service, such Employee shall participate immediately upon his return to an eligible class of Employees. If such Participant incurs a Break in Service, his eligibility to participate shall be determined pursuant to Section 3.02 hereof.

C. In the event an Employee who is not a member of the eligible class of Employees becomes a member of the eligible class, such Employee shall participate immediately if such Employee has satisfied the service requirements and would have previously become a Participant had he been in the eligible class.

3.02. Rehired Former Participants.

A. A former Participant shall become a Participant immediately upon his return to the employ of the Employer if such former Participant had a nonforfeitable right to all or a portion of his Accrued Benefit at the time of his termination.

B. A former Participant who did not have a nonforfeitable right to any portion of his Accrued Benefit at the time of his termination shall be considered a new Employee, for eligibility purposes, if the number of consecutive one year Breaks in Service equals or exceeds the aggregate number of Years of Service before such break. If such former Participant's Years of Service before his termination exceed the number of consecutive one year Breaks in Service after such termination, such Participant shall participate immediately.

C. In the event a Participant becomes ineligible to participate because he is no longer a member of an eligible class of Employees, but has not incurred a Break in Service, such Employee shall participate immediately upon his return to an eligible class of Employees. If such Participant incurs a Break in Service his eligibility to participate shall be determined pursuant to the two preceding paragraphs.

3.03. Notification of Eligibility. Upon becoming eligible to participate in this Plan, an Employee shall be notified by the Administrator.

3.04. Determination of Eligibility. The Administrator shall determine the eligibility of any Employee for participation in the Plan. Such determination shall be conclusive and binding upon all persons."

9. The first sentence of Section 4.05 is deleted and the following is inserted in its place:

"For any limitation year ending after December 31, 1979, the annual addition to a Participant's Account shall not exceed the lesser of \$36,875 (subject to an annual cost of living increase as determined by the Commissioner of Internal Revenue which will become effective only when such increase is announced) or twenty-five percent (25%) of the Participant's compensation from the Employer for such year."

10. After Section 6.11 the following new Sections 6.12 and 6.13 are hereby added:

"6.12. Disposition on Termination of Employment.

In the event a Participant terminates employment, then before the next premium is due, the terminated Participant shall be given the following options with respect to the Contracts on his life:

A. The Contracts may be transferred to the former Participant as all or part of his distribution of his vested interest, or

B. The Participant may purchase the Contracts from the Plan to the extent that the cash surrender value exceeds his vested interest, or

C. Loans may be made by the Plan against the Contracts to the extent the cash surrender value exceeds the Participant's vested interest and then the Contracts shall be transferred to the former Participant.

D. The Participant may have the Contracts cancelled and the cash surrender value added to the Participant's Account.

6.13. Purchase of Contracts. If Contracts are available, they may be bought, sold or otherwise transferred to or from the Plan so long as the purchase price is not in excess of the then present value of the Participant's Accrued Benefit and so long as such purchases conform to the requirements set out in the Class Exemptions concerning such transfers issued on June 21, 1977 by the Department of Treasury and Labor and published as Prohibited Transaction Exemptions 77-7 or 77-8 or whatever exemption may be in effect at that time."

11. Section 7.03 is deleted and the following is inserted in its place:

"7.03. Joint and Survivor Automatic Payout. If at the date Early or Normal Retirement benefit payments are to commence, a Participant has been continuously married for at least one year to his spouse, the benefits specified in Section 7.01 shall be payable as a Qualified Joint and Survivor Annuity unless during the Election Period, the Participant elects to have his benefits paid under some other option available in Section 7.04. Any such election shall be final after the annuity starting date, but may be revoked by a Participant prior to said date by filing a written revocation and new election with the Administrator on forms supplied by the Administrator.

For purposes of this Section, the Election Period shall be a period of not less than 90 days which shall commence when the Participant receives a detailed, nontechnical explanation of the benefits payable under the Plan along with a dollar and cents comparison of those benefits. In no event shall the Election Period end earlier than the ninetieth day before the commencement of benefits, and if necessary, the commencement of benefits may be delayed until the end of the Election Period.

If the Participant is not married at the annuity starting date, the normal form of benefit shall be an annuity payable for the life of the Participant with 100% of his Account, unless the Participant elects some optional method of settlement."

12. In Section 7.04 the clause which reads "At least 90 days prior to his Early or Normal Retirement Date, a Participant, with the consent of the Employer" is deleted and the following is inserted in its place:

"During the Election Period set out in Section 7.03, any Participant..."

13. After Section 7.04 a new Section 7.05 is hereby added:

"7.05 Payment of Benefits. In the event any benefits are to be paid in any manner other than a lump sum, if such manner of payment is designated by the recipient, then before payments commence the recipient must file with the Trustee a written direction as to the method of payment. Such method shall be approved or disapproved by the Trustee and Administrator in a nondiscriminatory manner. Once payments commence the method of payment may not be changed or altered."

14. The following is hereby added to the end of Section 8.02:

"If the Participant designates a Beneficiary other than his spouse, it shall be presumed that the Participant has elected not to have the spouse receive a survivor's annuity."

15. In Section 8.03 "(1) Spouse" is deleted and the following is inserted in its place:

"(1) Spouse, who shall be paid in the form of a life annuity unless she elects otherwise;"

16. Sections 9.02 and 9.03 are deleted and the following Sections are inserted in their places:

"9.02 Vesting. The vested portion of the Participant's Account shall be determined in accordance with the schedule specified in Section 1.08 with Years of Service as computed under Section 2.31B.

9.03 Payment of Vested Benefits. Upon termination of active participation in the Plan for any reason other than Early or Normal Retirement, Death or Disability, such Participant's Account shall be maintained without regard to the termination until the close of the Plan Year in which a Break in Service occurs. At the end of that Plan Year, the nonvested Account shall be forfeited and disposed of according to Section 5.03. The vested portion of the Account shall be paid to the former Participant in such a manner as the Employer, acting in a nondiscriminatory manner, shall determine subject to the provision that:(i) in the event a Participant terminates employment after meeting the service requirement for Early Retirement, but before meeting the age requirement for Early Retirement, such Participant may elect to have his vested benefits commence as of the end of any Plan Year after he meets the age requirement for Early Retirement, and (ii) in any event benefits must commence not later than 60 days after the end of the Plan Year when the Participant would have reached his Normal Retirement Date.

9.04 Distributions Prior to a Break in Service. In the event a Participant terminates employment, then the Employer in its discretion, to be exercised in a nondiscriminatory manner, may direct the Trustee to pay the terminated Participant his vested Account, before a Break in Service occurs. In the event such a distribution is made and the terminated Participant is rehired before he has a Break in Service, so that the nonvested portion of his Account is not forfeited, then in such a case the vested portion of his remaining Account balance shall be computed as follows:

To the then current Account balance at any subsequent time shall be added the amount actually distributed. This sum shall be multiplied by the then current vesting percentage for such Participant. Then the amount actually distributed shall be subtracted from product just computed, the remainder being the current vested Account balance of that Participant.

Current Account Balance
+ Distribution
<hr/>
Sub Total
x Current Vested Percentage
<hr/>
Sub Total
- Distribution
<hr/>
Current Vested Account Balance"

17. Paragraph (o) of Section 12.02 is hereby redesignated as paragraph (q) and the following two paragraphs are inserted after paragraph (n):

"(o) To cause any investments from time to time held by it to be registered in, or transferred into, its name as Trustee, or the name of the nominee and to retain them unregistered or in form permitting transferability by delivery, but the books and records of the Trustee shall at all times show that all such investments are part of the Trust Fund.

(p) To invest or reinvest, in part or in whole, the assets of the Trust in any collective or commingled trust maintained by a Bank or Trust Company, which qualify as exempt trusts under either Section 501(a) or 584(b) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent Federal Revenue Law then in effect. In this connection, the commingling of the assets of the Trust with assets of other eligible participating trusts through such a medium is hereby specifically authorized. Any assets of the Trust which may be so added to such collective trusts shall be subject to all of the provisions of the applicable declaration of trust, as amended from time to time, which declaration, if required by its terms or by applicable regulations under the Internal Revenue Code is hereby adopted as part of this Plan, to the extent of the participation in such collective or commingled trusts by this Trust."

18. The provisions of this amendment shall be effective retroactively to January 1, 1977.

IN WITNESS HEREOF, the parties hereto, being duly authorized, have
hereunto set their hands and seals this _____ day of _____, 198__.

THE EMPLOYER

ATTEST:

CATALINA ENTERPRISES, INC.

Secretary

BY: _____
President

THE TRUSTEE

Witness

Richard Shofer--Trustee

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**DEFENDANT'S
EXHIBIT**

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MP60223

CATALINA ENTERPRISES, INC.

PENSION PLAN

AND

TRUST AGREEMENT

THIS AGREEMENT is entered into this 18TH day of October, 1971, by and between Catalina Enterprises, Inc., a Maryland Corporation (hereinafter referred to as the "Employer") and Richard Shofer (hereinafter referred to as the "Trustee").

WHEREAS, the Employer had on December 28, 1971, established a Qualified Pension Plan, which is now being amended and restated in its entirety to conform to the requirements of the Employee Retirement Income Security Act of 1974, as amended, and this document has been written as a part of the Employer's and the Trustee's continuing good faith effort to comply with all the requirements of the laws and regulations as have been promulgated to this date;

WHEREAS, the Employer desires to establish and maintain a Qualified Pension Plan for the exclusive benefit of its Employees which Plan and related Trust is intended to comply with the Employee Retirement Income Security Act of 1974, as amended; qualify under Section 401(a) of the Internal Revenue Code of 1954, as amended; and thereby obtain a tax exempt status under Section 501(a) of said Code with contributions thereto being deductible under Section 404 of said Code; and

WHEREAS, the Employer desires to provide for the administration of the assets and income of the Trust and for the distribution of such assets and income as herein provided to its Employees and their Beneficiaries; and

WHEREAS, this Plan and Trust are established and maintained for the sole and exclusive benefit of those Employees of the Employer who shall be eligible to participate and for the benefit of the dependents and Beneficiaries of such Employees in the event of their death under the terms and conditions hereinafter set forth. No part of the Trust Fund can ever revert to the Employer, or be used or diverted to purposes other than the exclusive benefit of the Employees and their Beneficiaries, except as hereinafter provided.

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, it is agreed by and between the Employer and the Trustees, as follows:

SECTION 1

ELECTIVES

- 1.01. This Plan and Trust shall be known as the Catalina
Enterprises, Inc. Pension Plan.
- 1.02. The "Effective Date" of this Plan and Trust as amended
and restated shall be January 1, 1976.
- 1.03. The "Anniversary Date" of this Plan and Trust shall be
January 1st in each year.

COMPUTATION OF SERVICE AND COMPENSATION

- 1.04. n/a A. The Employer's fiscal year
(ending on _____ of each year)
- X B. The Plan Year
ending coincident with or next prior to the Valuation
Date shall be used for purposes of computing compensation
and allocations, or ending coincident with or next prior
to the Anniversary Date shall be used for purposes of
computing Years of Service.

ELIGIBILITY

- 1.05. Each Employee of the Employer, not a member of
the Excluded Class, shall be eligible to participate on
the Effective Date, Anniversary Date, or Entry Date coinci-
dent with or next following the date on which the Employee
X A. shall have attained age 25.

- X B. shall have been employed by the Employer for twelve months. However, if the Plan has one Entry Date per year, any eligible Employee shall commence participation in the Plan on the Entry Date following the time he meets the other eligibility requirements.

ENTRY DATE SELECTION

- X C. Two Entry Dates per year -- the Anniversary Date and 6 months thereafter.

- n/a D. One Entry Date per year -- the Anniversary Date.

Employees of the Employer who are members of the Class or Classes enumerated below shall at no time be considered eligible to participate in the Plan.

- X Employees whose employment is governed by the terms of a collective bargaining agreement (as defined by the Secretary of Labor) between employee representatives and the Employer under which retirement benefits were the subject of good faith bargaining between said employee representatives and the Employer.

- n/a Employees who are paid on an hourly or daily basis.

- n/a Employees deriving more than _____%, of total Compensation in the form of commissions or sales incentives.

1.06. Employer's Contribution to Participant's Account. During each Plan Year, the Employer shall contribute for every active Participant who is such on the last day of the Plan Year an amount equal to:

- X A. 11.63% of such Participant's Compensation, plus an amount equal to 7 % of such Participant's Compensation in excess of \$ 10,800. The Employer's contribution shall be reduced by the amount of forfeitures occurring during the Plan Year and

the contribution on behalf of each Participant shall be subject to the limit on annual additions described in Section 4.05.

n/a B. _____% of such Participant's Compensation, plus an amount equal to _____% of such Participant's Compensation in excess of the Social Security taxable wage base in effect at the beginning of the Plan Year.

n/a C. \$_____ for each Participant.

1.07. "Compensation" for purposes of this Plan shall mean the basic compensation paid to an Employee during the year including:

X overtime pay n/a commissions

n/a bonuses n/a basic compensation only

Compensation shall include:

X Only Compensation paid while the Participant participated in the Plan.

n/a Compensation paid during the entire measuring year specified in Section 1.04.

VESTING

1.08. n/a A. 100% after 10 years of service.

<u>n/a</u> B.	<u>Years of Service</u>	<u>Nonforfeitable Percentage</u>
	5	25
	6	30
	7	35
	8	40
	9	45
	10	50
	11	60
	12	70
	13	80
	14	90
	15 or more	100

<u>n/a</u>	<u>C.</u>	<u>If Years of Service Equal or Exceed:</u>	<u>And the Sum of Age and Service Equals or Exceeds:</u>	<u>Then the Nonforfeitable Percentage Is:</u>
		5	45	50
		6	47	60
		7	49	70
		8	51	80
		9	53	90
		10	55	100

Provided that a Participant who has completed 10 years of service, regardless of age, shall be 50% vested with vesting thereafter at an additional 10% for each year of service..

n/a D. 100% full and immediate.

X E. 10% for each year of service, beginning after 1 year of service.

Additionally, all Participants who were Participants on December 31, 1973, shall be 100% vested in their Accrued Benefits as of that date.

1.09. Computation of years of service for vesting purposes:

For purposes of computing vesting the following years of service shall not be counted.

X A. Years of service before age 22. (Not available if 1.08. C. is selected.)

X B. Years of service during which the Employer did not maintain this Plan or a predecessor Plan.

X C. Years of Service during which the Participant completed less than 1,000 hours of service.

EARLY RETIREMENT PROVISIONS

1.10. For purposes of Section 2.12. of the Plan, the following is elected:

- n/a A. There shall be no Early Retirement Date
- X B. Early Retirement shall occur upon attaining age 55 with 10 years of participation.
- n/a C. The Early Retirement Date shall be on any Anniversary Date which is within _____ years of the Normal Retirement Date.
- n/a D. (Other)

INSURANCE

- 1.11. n/a A. No life insurance or annuities may be purchased under this Plan except as an option under Section 7 or 9.
- X B. Such insurance shall be of the ordinary life insurance or a higher premium form, or an annuity, or term life insurance. The amount of premiums paid for ordinary life insurance shall be less than 50% of the aggregate Employer contributions allocated to the Account of a Participant for whom such ordinary life insurance is acquired. The amount of premiums paid for term life insurance shall not exceed 25% of the aggregate Employer contributions allocated to the Account of a Participant for whom such term life insurance is acquired. If both ordinary and term life insurance contracts are purchased, the premiums paid for term life insurance, plus one-half the premiums paid for ordinary life insurance, shall not exceed 25% of the Employer contributions allocated to an Employee's Account.
- n/a C. Further, the amount of insurance premiums shall be limited to the vested amount of a Participant's Account.

DISTRIBUTION UPON TERMINATION OF EMPLOYMENT

1.12. The following is selected with respect to distributions to be made not on account of Early or Normal Retirement, Death, or Disability:

- n/a A. Cash, Contracts, and/or the net cash surrender values of Contracts (if any) to be transferred to the former Participant within 60 days after the end of the Plan Year in which the former Employee incurs a Break in Service.
- n/a B. Distribution to be deferred until the earlier of Death or what would have been the former Employee's Early or Normal Retirement Date had he remained a Participant.
- n/a C. If the vested portion of the Accrued Benefit is sufficient to purchase at least a \$10 per month single premium Qualified Joint and Survivor Annuity commencing at what would have been the former Participant's Normal Retirement Date, the same shall be purchased, otherwise, distribution shall be in accordance with A above.
- X D. On a non-discriminatory basis, the Employer may select the method of distribution to be applied with respect to each distribution.
- n/a E. Distribution to be as described in C. above, with the right of the Employer, on a non-discriminatory basis, to select any other optional method of distribution.

In no event may distributions exceed the Participant's vested Accrued Benefit.

VOLUNTARY CONTRIBUTIONS AND PARTICIPANT DIRECTION

- 1.13. X A. A Participant may make voluntary contributions of up to 10% of his annual compensation for each year he is a Participant.

The cost or expenses attributable to voluntary contributions shall be paid by:

- n/a 1. The Participant
- n/a 2. The Trust and charged directly to the voluntary account.
- X 3. The Employer.

- X B. A Participant may direct the Trustee as to the specific investments to be made with his voluntary contributions.
- X C. A Participant may direct the Trustee as to the specific investments to be made with Employer contributions allocated to his Account.

DIRECTION OF INVESTMENTS BY EMPLOYER

- 1.14. X A. The Employer shall have the right to direct the Trustee with respect to the general mode of mix of investments to be made: i.e. percentage of common stocks to debt or fixed income investments; percentage in type of pooled or common Trust Fund.
- n/a B. The Employer shall exercise no direction in the investment of the Trust assets.

DISABILITY

1.15. For purposes of the Plan, the following is selected as the definition of "Disability":

- X A. A Participant shall be considered as permanently and totally disabled if he is eligible for and receives permanent disability benefits under Section 223 of the Social Security Act. A Participant who has applied for disability benefits under the Social Security Act is not eligible for disability benefits under the Plan pending the disposition of such application by the Social Security Administration.
- n/a B. A Participant shall be considered as permanently and totally disabled if he is unable to engage in any substantial gainful activity, considering the Participant's age, education and work experience, by reason of any medically determined physical or mental impairment which can be expected to result in death or which can be expected to last for a continuous period of not less than 12 months.
- n/a C. A Participant shall be considered as permanently and totally disabled if he is unable to engage in

his usual and customary occupation or specialty by reason of any medically determined physical or mental impairment which can be expected to last for a continuous period of not less than 12 months.

1.16. If elected below the Trustee may make the following investments:

- A. The Trustee may make loans to Participants as specified in Section 12.02. (m).
- B. The Trustee may invest in qualified Employer real property and qualified Employer securities as specified in Section 12.02. (n).

SECTION 2
DEFINITIONS

- 2.01. "Account" shall mean that amount allocated for the benefit of each Participant which is not invested in Contracts.
- 2.02. "Accrued Benefit" shall mean the sum of the cash value of all Contracts purchased for a Participant, and the value of said Participant's Account determined as of the previous Valuation Date.
- 2.03. "Administrator" shall mean the President of the Employer, or any successor duly appointed by the President of the Employer.
- 2.04. "Age" shall mean a person's age at his nearest birthday.
- 2.05. "Anniversary Date" shall mean the date designated in Section 1.03 which date shall be the first day of each Plan Year.
- 2.06. "Beneficiary" with respect to all benefits payable hereunder by reason of death of a Participant, shall mean a person or persons designated by a Participant or, in the absence of such designation, by the terms of this Plan.
- 2.07. "Break in Service" shall occur in any Plan Year during which the Participant completes 500 Hours of Service or less. A Break in Service shall not occur while the Employee

is on leave of absence from the Employer for a period not exceeding twelve (12) months or when the Employee terminates service with the Employer to enter the Armed Services of the United States, provided that such Employee returns to active service with the Employer within the time prescribed by law after his separation from such service. Any such leave of absence shall be granted in accordance with the Employer's normal policies and practices in a non-discriminatory manner.

- 2.08. "Compensation" shall mean that form of remuneration selected in Section 1.07., which is paid to a Participant during the year as selected in Section 1.04.
- 2.09. "Contract" shall mean any life insurance or annuity policy issued on the life of a Participant, pursuant to this Plan.
- 2.10. "Current Value" shall mean the fair market value, where available, and otherwise the fair value as determined in good faith by the Trustee as of the last Valuation Date.
- 2.11. "Disability" shall have the definition as selected in Section 1.15. A Participant who is disabled shall be deemed to have retired early.
- 2.12. "Early Retirement Date" shall mean any Anniversary Date following the Participant's meet the age and/or service

requirements designated in Section 1.10.

- 2.13. "Effective Date" shall mean the date designated in Section 1.02. hereof, as the date upon which the Plan first became effective as to the Employer.
- 2.14. "Employee" shall mean any individual employed by the Employer. However, an individual who performed services as a sole proprietor, partner, or independent contractor shall not be considered to have been an Employee during that period of time when he rendered such services to the Employer.
- 2.15. "Employer" shall mean any Employer who shall have assumed the obligations of this Plan by completing and executing this Agreement or a Joinder Agreement to this Plan.
- 2.16. "Entry Date" shall mean the day on which an eligible Employee commences participation in this Plan. For those Employees who meet the eligibility requirements on the Effective Date, it shall be the Effective Date. For other persons, it shall be:
- (a) In the case where an Employer has selected one Entry Date per year under Section 1.05., the Anniversary Date following the date the Employee meets the eligibility requirements.
 - (b) In the case where an Employer has selected two Entry Dates per year under Section 1.05., the Entry Date shall be the Anniversary Date and the date in each year which occurs six months after the Anniversary Date. In this case, Employees will commence participation on the Entry Date coincident with or next following the time he meets the eligibility requirements.

- 2.17. "Excluded Class" shall mean the class of Employees the Employer has designated in Section 1.05. as not eligible to participate in the Plan.
- 2.18. "Fiduciary" shall mean a person who exercises any discretionary authority or discretionary control respecting the management of the Plan; or who exercises any authority or control respecting the management or disposition of its assets; or who renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of such Plan or has any authority or responsibility to do so; or has any discretionary authority or discretionary responsibility in the administration of such Plan; or when designated by a named Fiduciary pursuant to authority granted by the Plan, who acts to carry out a fiduciary responsibility; or who assumes any Fiduciary responsibilities pursuant to Section 16.07., subject to any exceptions granted directly or indirectly by the Employee Retirement Income Security Act of 1974, as amended, or any Regulations promulgated pursuant to the authority contained therein.
- 2.19. "Forfeiture" shall mean the nonvested Accrued Benefit of any Participant who incurs a Break in Service during the Plan Year.

2.20. "Fund" shall mean the Fund accumulated under the Plan from Contributions not applied to purchase Contracts issued by the Insurer.

2.21. "Hour of Service" shall mean any 60 minute time period when the Employee is either directly or indirectly paid or entitled to be paid by the Employer for the performance of duties.

For purposes of determining whether a Break in Service has occurred an Employee will be credited with Hours of Service for any customary period of work, based on a 40 hour week or pro rata portion thereof, during which an Employee is directly or indirectly paid or entitled to payment, by the Employer for reasons (such as vacation, sickness or disability) other than for the performance of duties. This provision shall be construed so as to resolve any ambiguities in favor of crediting Employees with Hours of Service.

2.22. "Insurer" shall mean any legal reserve life insurance company as may issue any Contract under the provisions of this agreement, and is licensed to do business in the State of Maryland.

2.23. "Normal Retirement Age" shall mean the later of the Anniversary Date following the date upon which a Participant attains age 65 or the 10th anniversary of the date the

Participant commenced participation in this Plan.

- 2.24. "Participant" shall mean any Employee or former Employee of the Employer who is or may become eligible to receive a benefit of any type from this Plan or whose Beneficiaries may be eligible to receive any such benefit.
- 2.25. "Plan" shall mean the Plan as set forth in this document.
- 2.26. "Plan Year" shall mean the 12 month period beginning on each Anniversary Date.
- 2.27. "Qualified Joint and Survivor Annuity" shall mean an annuity for the life of the Participant with a survivor's annuity for the life of the Participant's spouse which is one half (1/2) of the amount of the annuity payable during the joint lives of the Participant and spouse.
- 2.28. "Special Valuation Date" shall mean any date other than the Valuation Date designated by the Administrator as a Valuation Date.
- 2.29. "Trustee" shall mean that person or persons so designated by the Board of Directors of the Employer to serve as Trustee and so named herein and who, by joining in the execution of the documents creating or amending this Plan, acting in his capacity as a party to the Trust, signifies his acceptance of this Trust, or any person duly appointed as a successor Trustee in accordance with the provisions of this Plan.

- 2.30. "Valuation Date" shall mean the last business day of each Plan Year.
- 2.31. "Years of Service", for purposes of computing vesting, shall be computed upon the 12 month period selected in Section 1.04. One thousand or more Hours of Service during such year shall give the Participant one Year of Service. For purposes of computing 12 months of service, which may be required for eligibility under Section 1.05.B., it shall be the 12 month period beginning when employment commences during which the Employee must have 1,000 or more Hours of Service. If the Employee fails to get at least 1,000 Hours of Service by the first anniversary date of his employment, then, the eligibility period, if any, specified in Section 1.05.B. shall be the 12 month period specified in Section 1.04., and the Employer shall not be eligible to participate until he has 1,000 or more Hours of Service during a year specified in Section 1.04.

SECTION 3

ELIGIBILITY AND PARTICIPATION

- 3.01. Eligibility Requirements. Each present and future Employee of the Employer who is not a member of an Excluded Class and who meets all of the eligibility requirements specified in Section 1.05 shall participate in the Plan. Such person shall continue as an active Participant until he incurs a Break in Service, or fails to meet the eligibility requirements. Any Participant who incurs a Break in Service may participate in the Plan again provided he meets all the eligibility requirements and provided that he has 1,000 or more Hours of Service as an eligible Employee in the 12 month period immediately following the time he otherwise met the Plan's eligibility requirements.
- 3.02. Upon becoming eligible to participate in this Plan, an Employee shall be notified by the Administrator.
- 3.03. The Administrator shall determine the eligibility of any Employee for participation in the Plan. Such determination shall be conclusive and binding upon all persons.

SECTION 4

CONTRIBUTIONS

4.01. Financing Benefits. In order to carry out the provisions of this Plan and to provide the benefits hereunder, the Employer establishes a Money Purchase Pension Plan and Trust for the benefit of its Employees.

The Employer shall pay to the Trustee each year an amount in accordance with the formula set out in Section 1.06.

Notwithstanding the foregoing, the Employer shall have the right to suspend the contribution for any year or years in whole or in part, provided, however, that the Employer shall be required to make up any suspended contribution within 10 years after the original due date of such contribution with interest thereon at the actual rate earned by the Trust per annum from the original due date to the date of actual payment. Such made up contributions shall be allocated to each Participant, who was a Participant at the time the contribution was suspended, in the amount which would have been allocated had the contribution not been suspended by the Employer. In addition, the actual interest will be allocated in the same ratio as the allocation of the made up contribution. Forfeitures shall be calculated and treated in the same manner as if the contribution had not been suspended.

- 4.02. The Employer's contribution under this Plan shall be paid over to the Trustee no later than the date the corporate tax return is due for that year, including any extensions of time for the filing of the corporate tax return which have been approved by the Internal Revenue Service.
- 4.03. All amounts paid to the Trustee by the Employer shall constitute irrevocable contributions by the Employer to the Plan, except as otherwise specifically provided hereinafter.
- 4.04. No Participant shall be required to make any contributions under this Plan. But if provided for in Section 1.13., any Participant may make voluntary contributions to this Plan provided, however, that such contributions shall not exceed 10% of the Participant's compensation, nor shall a Participant's voluntary contributions to all qualified Plans of the Employer exceed 10% of his compensation. The right to make such contribution shall be cumulative for all Plan Years during which a Participant was such. A Participant who has failed or been unable to make the maximum voluntary contributions permitted hereunder may make up such contributions in any subsequent Plan Years in which he is an active Participant. If elected under Section 1.13.B., the

Participant may direct the Trustee in the investment of his voluntary contribution account. In such event, the Trustee shall be held totally harmless as to the propriety, prudence, and results of the such directions.

The Administrator shall maintain a separate account for each Participant, to which shall be credited his voluntary contributions and any increments or decrements thereon.

The Administrator shall account separately for such voluntary contributions whether or not they are separately invested. All voluntary contributions for any Plan Year shall be due and payable to the Employer, for transmittal to the Trustee in one lump sum on the last day of the Plan Year. Alternatively, the Employer may institute a payroll deduction system (for those Participants desiring to make voluntary contributions) and transmit to the Trustee such sums as the Participant, by written authorization, may specify. Within 30 days after receipt or withholding of a Participant's contributions, the Employer shall remit to the Trustee and Administrator an itemized list of the contributing Participants and the amount of their contributions, the total amount of contributions collected or withheld, and the Administrator shall credit such contributions to the Accounts of the respective Participants as of the date of payment to the Trustee. With the consent of the Administrator,

to be based upon consistently applied, non-discriminatory policies, a Participant may elect to withdraw, as of any Anniversary Date, from the portion of his Account attributable to his voluntary contributions, any amount not in excess of the total contributions previously made by him, less the aggregate of his previous withdrawals. If a Participant does withdraw any of the principal of his voluntary account, he may redeposit that amount at a later date. At all times, a Participant shall be 100% vested in his voluntary contributions, including any increment earned thereon, and the Participant shall be entitled to receive payment thereof within 60 days after the end of the Plan Year in which employment terminates. Upon the death of a Participant, his Beneficiary shall be entitled to receive payment thereof in one lump sum, within 60 days after the end of the Plan Year in which the Participant dies. (The cost of administering a Participant's voluntary contributions account shall be paid in accordance with the selection made in Section 1.13.)

4.05. Overall Limitation of Contribution. For any Plan Year beginning after 12/31/75, the annual addition to a Participant's Account shall not exceed the lesser of \$25,000 (subject to annual cost of living increase in accordance

with regulations promulgated by the Internal Revenue Service) or twenty-five percent (25%) of the Participant's earnings from the Employer for such year.

The term "annual addition" means the sum of the following amounts allocated to the Account of each Participant:

- (a) the Employer's contribution; and
- (b) the lesser of:
 - (i) the Employee's voluntary contribution in excess of six percent (6%) of his Compensation; or
 - (ii) one-half of all the Employee's voluntary contribution.

All defined contribution plans of the Employer shall, for purposes of this limitation, be considered as one plan.

In any case in which an individual is a Participant in both a defined benefit plan and a defined contribution plan maintained by the same Employer, the sum of the defined benefit plan fraction and the defined contribution plan fraction for any year may not exceed 1.4. The defined benefit plan fraction for any year is a fraction:

- (a) the numerator of which is the projected annual benefit of the Participant under the Plan (determined as of the close of the year), and
- (b) the denominator of which is the maximum benefit allowable under Section 415 (b) of the Internal Revenue Code of 1954, as amended.

The defined contribution plan fraction for any year is a fraction:

- (a) the numerator of which is the sum of the annual additions for all Plan Years to the Participant's Account as of the close of the year, and
- (b) the denominator of which is the sum of the maximum amount of annual additions which could have been made for such year and for each prior year of service with the Employer.

If the annual addition made with respect to a particular Participant exceeds the limits set out above, then the addition in such year shall be reduced to the extent necessary first, by the Participant's contributions made during the year, which shall be returned; and secondly, by Employer contributions which shall be held in a suspense account and used to reduce the next Employer contribution.

If the Employer maintains a qualified profit sharing plan in addition to this Plan then the annual addition in the profit sharing plan shall be reduced first so that the limits shall not be exceeded. If the Employer maintains another qualified pension plan in addition to this Plan then the annual addition to this Plan shall first be reduced so that the limits shall not be exceeded.

Notwithstanding the above if any Participant is a Participant in both a defined contribution plan and a defined benefit plan maintained by the same Employer and the sum of the defined contribution plan fraction and the defined benefit plan fraction exceed 1.4, it may continue to exceed 1.4 provided that it may not increase above the level that it was on September 1, 1974 and provided further that no contributions are made under the defined contribution plan after September 2, 1974.

In the event that the Employer is a member of a controlled group of corporations or a group of trades or businesses under common control (as described in Sections 414(b) or (c) of the Internal Revenue Code, as modified by Section 413 (h) thereof), the allocations of the Employer Contribution to any Participant's Account and/or benefit from a deferred benefit Plan in any Plan Year shall be further limited by reason of the existence of other qualified retirement plans maintained by such affiliated corporations or other entities under common control, to the extent such reduction is required by Section 415 of the Internal Revenue Code and the regulations promulgated thereunder. The Administrator shall determine if any such reduction in the allocations to a Participant's Account and/or benefit are required for this reason, and if so, the same provisions as stated above shall apply.

The year of limitation for purposes of computing the above limits shall be as specified in Section 1.04.

4.06. Predecessor Plan Assets. The Trustee, notwithstanding the provisions of Section 4.05., may receive the assets of any qualified predecessor Plan of the Employer and invest such Assets in any manner in which he is authorized to invest the Assets of this Plan.

SECTION 5

VALUATION OF ACCOUNTS

- 5.01. Establishment of Account. The Administrator shall establish a separate Account for each Participant. Each Account shall be credited each year with all contributions for the Participant to the extent that such contributions are not applied to the purchase of contracts on the Participant's life from the Insurer. As soon as reasonably possible after each Valuation Date, each Participant shall be notified of the value of his Accrued Benefit as of such Valuation Date including the value of any portion of such Account attributable to his voluntary contributions, if any.
- 5.02. Valuation of Account at Year End. To determine the value of the Participant's Account the net assets of the Fund shall be valued at the then current market value, before crediting any contributions then due or paid for such Plan Year, and the Accounts of the Participants shall be adjusted proportionately to reflect any change in the value of such assets which shall result either from the earnings, losses, or expenses of the Trust or from an increase or decrease in the market value of such assets. For purposes of this valuation, a Participant's Account shall include any portion

attributable to contributions whose investment is not being directed by the Participant. Following such valuation, any contributions then due shall be credited to the Accounts of the Participants for whom they have been made.

5.03. Forfeitures. As of each Valuation Date, any amount which stood to the credit of a former Participant's Account and which has been forfeited during the Plan Year because a Break in Service has occurred, shall be used to reduce the next succeeding Employer contributions.

5.04. Special Valuations. In the event it is determined that the value of the Fund as of any date on which distributions are to be made differs materially from the value of the Fund on the Valuation Date or prior Special Valuation Date upon which the distribution is to be based, the Administrator, in his discretion, shall have the right to designate any date in the interim as a Special Valuation Date for the purpose of revaluing the Fund so that the Participant's Account from which the distribution is being made will, prior to the distribution, reflect its share of such material difference in value.

Similarly, the Administrator may adopt a policy of providing for regular interim valuations without regard to the materiality of changes in the value of the Fund.

5.05. Directed Investments. Notwithstanding any other provision of this Plan, if the election has been made in either Sections 1.13. B. or C., or 1.14. A., then the Participant and/or Employer, as the case may be, may, by written direction, direct the Trustee as to the investment of the Trust assets. Upon the directions of an individual Participant, the Trustee shall segregate, and thereafter hold in a separate account for the benefit of such Participant the amount indicated. Such segregated amounts shall be accounted for separately from the remainder of the Fund. Following the establishment of the segregated account, such Account shall be credited or debited only with increases or decreases resulting from the investment or administration of such Account, except that the Trustee may charge such Account its pro rata portion of the fees and expenses incurred in the administration of the Plan, as well as fees and expenses properly chargeable only to such Account, unless the Participant pays such fees and expenses directly. The Trustee shall have no liability as to the propriety, prudence or results of any investments made by reason of directions. The election by a Participant to direct investments or to return to common investment with the Fund shall become effective as of the next Valuation

Date or Special Valuation Date which occurs at least 15 days following the receipt by the Employer (to be transmitted promptly to the Trustee) of written notice of direction from the Participant.

SECTION 6

LIFE INSURANCE

- 6.01. If the Employer has elected to allow insurance coverage under Section 1.11., the purchase of insurance shall be optional to each Participant. However, the insurance premiums may not exceed the amounts and/or percentages specified in Section 1.11.
- 6.02. If a Participant is not insurable at standard rates, or is insurable only at a special class rating, such Participant may elect either:
- (a) To pay the additional rating through voluntary contributions (provided the limits on voluntary contributions and annual additions are not exceeded) and have the full amount of insurance issued; or
 - (b) To have a reduced amount of insurance issued so as not to exceed the limitation premiums set forth in Section 1.11.
- 6.03. If a Participant is deemed to be uninsurable, the premiums allowable under Section 1.11. may be used to purchase an annuity policy.
- 6.04. Loans. Loans may be made against any of the Contracts purchased hereunder in order to pay the premiums as due. Any such loans shall be made on a pro rata basis against all Contracts on the lives of all Participants, such pro-ration being made on the basis of the net cash surrender value of such Contracts. For purposes of this Section,

all Contracts on the life of any Participant shall be treated as a single Contract. Repayment shall be made on the same basis and no loan shall be made on any Contract on the life of one Participant to pay premiums on any Contract on the life of another Participant.

- 6.05. Ownership. The Trustee shall be the complete and absolute owner of the Contracts held in this Trust and of each and every incident of ownership therein including the right to receive all payments thereunder and shall have the power to exercise the rights, options, and privileges of an absolute owner with respect to the Contracts subject to the provisions of the Plan and Trust. The Trustee shall have the power to deal with and settle claims, but shall not be obligated to do so until it has been indemnified against loss or the expense of settlement by the Employer. The Trustee may designate the Administrator as custodian of the Contracts.
- 6.06. Dividends. Any dividends which shall become payable under any Contract shall be applied to reduce the premiums on the Contract.
- 6.07. Validity. Neither the Employer, Trustee nor the Administrator shall be responsible for the validity of any Contract nor for the failure on the part of the Insurer to make payments provided by the Contract, nor for the action of any other person which may render the Contract null and void or

unenforceable in whole or in part.

6.08. Additional Provisions. Each Contract may contain "waiver of premium" "accidental death and dismemberment" and/or "guaranteed insurability option" provisions, if available. If the Participant elects to have these provisions, the cost shall be paid by the Participant directly.

6.09. Premium Payment Limitations. If the Trustee is not permitted to pay insurance premiums because of the limitations in Section 1.11., a Participant may direct the Trustee to make loans against the Contracts or personally pay any premiums due, which are unpaid because of said provision, provided he pays the unpaid premium out of his voluntary contribution account.

6.10. Limitation on Benefits Prior to Date Contract is in Force. If any eligible Participant shall die after having complied with all the requirements for participation and before a Contract shall be in force on his life, any Employer contribution required to pay the initial premium on the Contract shall be paid to the Beneficiary designated by the Participant, or in the absence of such designation, as provided in Section 8.03.

6.11. Power to Purchase Keyman Insurance. The Trustee, if so instructed by the Employer, shall purchase keyman life

insurance on the life of any Employee of the Employer (whether or not a Participant) who is considered essential to the successful operation of the Employer. Any such key-man life insurance policy shall be purchased as an investment asset of the Trust and not for the benefit or account of any Participant and the entire death benefit under any such policy shall be made payable to the Trustee.

SECTION 7

RETIREMENT BENEFITS

- 7.01. Retirement. A Participant who retires at his Normal Retirement Date shall be entitled to the value of his Accrued Benefit. If the Plan so provides under Section 1.10. a Participant may elect to retire early and receive benefits which shall be 100% of his Accrued Benefit. At the request of the Employer, a Participant may continue his employment past his Normal Retirement Date in which event his benefits shall be deferred to the date of his actual retirement and contributions shall continue to be made for him. The value of his benefits paid upon his actual retirement shall reflect the then current value of his Accrued Benefit.
- 7.02. A Participant shall be 100% vested in his Accrued Benefit upon meeting the requirements for Early or Normal Retirement and upon disability.
- 7.03. Joint and Survivor Automatic Payout. The normal form of benefit payable under the Plan for a Participant who retires at his Early or Normal Retirement Date shall be a Qualified

Joint and Survivor Annuity purchasable by the Accrued Benefit. However, if the Participant is unmarried at the annuity starting date, the normal form of benefit shall be an annuity payable for the life of the Participant.

7.04. Optional Methods of Settlement. At least 90 days prior to his Early or Normal Retirement Date, a Participant, with the consent of the Employer, may elect to receive payment of his benefits in any of the following ways:

- (a) In a lump sum.
- (b) Payable in equal installments (not less frequently than annually) for the life of the Participant by having an annuity policy purchased with 100% of his Accrued Benefit.
- (c) Payable for a period certain, not to exceed 20 years and thereafter for the life of the Participant, by having an annuity policy purchased with 100% of his Accrued Benefit.
- (d) Payable in any other manner as the Participant, the Trustee and the Administrator may agree, that will guarantee that over 50% of the proceeds will be for the benefit of the Participant.

SECTION 8

DEATH BENEFITS

- 8.01. Death Benefit Payable. The death benefits payable upon the death of any Participant prior to his retirement shall be those amounts payable under the Contracts on his life plus 100% of the value of his Account. Any amounts in his voluntary Account shall be included in such death benefit. Notwithstanding anything to the contrary, if a person who was a Participant dies, but at the time of his death did not meet the Plan's eligibility requirements, except by reason of Early or Normal Retirement or Disability, then such person's death benefits under the Plan shall be the value of his Account as of the last previous Valuation Date multiplied by his vested percentage determined as of the day prior to his death plus the face amount of the Contracts, if any, payable by reason of the death.
- 8.02. Each Participant shall have the right, at any time, to designate a Beneficiary to receive such Death Benefit. Such designation shall be made by an instrument in writing, upon such form or forms as may be provided by the Administrator. Each such Participant also shall have the right, in the same manner, to revoke any such designation previously made and to designate another Beneficiary. The last such designation received by the Administrator in order of time shall revoke all prior designations.

8.03. If the Beneficiary named by a deceased Participant dies before the Participant or before complete payment of his benefits, and there is no living contingent Beneficiary named by such Participant, or if no Beneficiary has been named, payment shall be made in the following order of preference:

- (1) Spouse
- (2) Children, in equal shares, per stirpes
- (3) Parents, in equal shares, per stirpes
- (4) Brothers and Sisters, in equal shares, per stirpes
- (5) Nephews and Nieces, in equal shares, per stirpes
- (6) Equally to those persons who would have been heirs of the Participant had he died intestate.

8.04. Payment from the Account shall be made in a lump sum within 60 days after the end of the Plan Year in which the Participant dies. The Beneficiary may elect any mode of payment available under the Contracts with respect to death benefits payable under such Contracts.

SECTION 9

TERMINATION OF EMPLOYMENT

- 9.01. If employment is terminated due to Normal or Early Retirement or Disability, the Trustee shall pay to the Participant or his Beneficiaries 100% of the Accrued Benefit. Payment shall be in accordance with the provisions of Section 7, but payments shall commence no later than 60 days following the close of the Plan Year in which the Participant would have reached the earliest retirement date under the Plan or actually retires, whichever is later.
- 9.02. The vested portion of the Participant's Accrued Benefit shall be determined in accordance with the schedule selected in Section 1.08., and adjusted in accordance with the elections (if any) made in Section 1.09. Otherwise, in computing Years of Service for the purpose of vesting, all Years of Service with the Employer shall be included. However, Years of Service before January 1, 1971, shall be included only if the Employee has at least three Years of Service between January 1, 1971, and the Effective Date of this Plan. Also, if there was a predecessor Plan, Years of Service before the Effective Date of this Plan shall be computed under the rules of the predecessor Plan.

9.03. Upon termination of active participation in the Plan for any reason other than Normal or Early Retirement, Death or Disability, such Participant's Account shall be maintained without regard to such termination until the close of the Plan Year in which it is determined that a Break in Service has occurred. At the close of such Plan Year, the non-vested portion of such terminated Participant's Accrued Benefit shall be forfeited and disposed of in accordance with Section 5.03. Any vested portion of the Participant's Accrued Benefit shall be distributed in accordance with the selection made in Section 1.13. In no event shall distribution commence later than 60 days after what would have been the former Participant's Normal Retirement Date.

SECTION 10

DISTRIBUTION PROVISIONS

10.01. All distributions of benefits shall be determined on the last day of the Plan Year. However, the Administrator, on a non-discriminatory basis, may provide for a partial distribution to a Participant or Beneficiary (who qualifies for benefits under the Plan) prior to the next Valuation Date. In the event that a Special Valuation Date is not declared, such partial distribution shall not exceed 50% of the value of the Participant's Account on the most recent prior Valuation Date, plus 100% of the proceeds of any Contracts on his life.

SECTION 11

AMENDMENT AND TERMINATION

11.01. Employer Reserves Right to Amend or Terminate Agreement.

- (a) The Employer expressly reserves the right to alter, amend or terminate this Plan and Trust (including elections made in Section 1); provided, however, no such alteration, amendment or termination shall deprive any Participant or Beneficiary of any vested interest hereunder, and further provided, that no amendment may be made which changes the vesting schedule with respect to the benefit of any Participants unless each Participant with 5 or more years of Service is permitted to elect to have the old vesting schedule used to determine his vested benefit.
- (b) Any amendment shall be in writing, approved by the Board of Directors of the Employer, with copies furnished to the Trustee and the Administrator provided that no amendment shall increase the duties of the Trustee and/or Administrator without their consent.

Employer reserves the right to terminate this Plan at any time. Upon termination, partial termination or upon permanent discontinuance of Employer contributions, the interest of each Participant shall become fully vested and non-forfeitable.

11.02. Upon termination or partial termination of the Plan by a resolution of the Board of Directors of the Employer, the Trustee shall, within 60 days after the next Valuation Date, distribute to the Participants 100% of the Accrued Benefit of each Participant. Upon the permanent discontinuance of Employer contributions, the Trustee shall continue to invest the assets of the Plan for the benefit of the Participants and distributions are to be made in accordance with the other provisions of the Plan relating to distributions.

SECTION 12

TRUST FUND INVESTMENTS

12.01. Investment Policy. This Plan has been established for the sole purpose of providing benefits to the Participants and their Beneficiaries. The Trustee shall hold and invest all moneys contributed hereunder in trust for the benefit of the Participants and their Beneficiaries in accordance with the provisions of this document and any and all laws and regulations as may be lawfully issued.

12.02. The Trustees shall have the following powers and authority in the administration of the Trust Fund, in their uncontrolled discretion:

- (a) To purchase or subscribe to any securities or other property and to retain in trust such securities or other property.
- (b) To sell for cash or on credit, to grant options, convert, redeem, exchange for other securities or other property, or otherwise to dispose of any securities or other property at any time held by them.
- (c) To settle, compromise or submit to arbitration, any claims, debts or damages, due or owing to or from the Trust, to commence or defend suits or legal proceedings and to represent the Trust in all suits or legal proceedings.
- (d) To exercise any conversion privilege and/or subscription right available in connection with any securities or other property at any time held by them, to oppose or to consent to the reorganization, consolidation, merger or readjustment of the finances of any corporation, company or association or to sell, mortgage, pledge or lease such property of any corporation,

company, or association of any of the securities of which may at any time be held by them, and to do any act with reference thereto, including the exercise of options, the making of agreements or subscriptions and the payment of expenses, assessments or subscriptions, which may be deemed necessary or advisable in connection therewith, and to hold and retain any securities or other property which they may so acquire.

- (e) To exercise, personally or by general or by limited power of attorney, any right, including the right to vote, appurtenant to any securities or other property held by them at any time.
- (f) To borrow money from any lender in such amounts and upon such terms and conditions as shall be deemed advisable or proper to carry out the purposes of the Trust and to pledge any securities or other property for the repayment of any such loan.
- (g) To manage, administer, operate, lease for any number of years, regardless of any restrictions on leases made by fiduciaries, develop, improve, repair, alter, demolish, mortgage, pledge, grant options with respect to, or otherwise deal with any real property or interest therein at any time held by them, and to hold any such real property in their own name or in the name of a nominee, with or without the addition of words indicating that such property is held in a fiduciary capacity, and to cause to be formed a corporation or trust to hold title to any such real property with the aforesaid powers, all upon such terms and conditions as may be deemed advisable.
- (h) To renew or extend or participate in the renewal or extension of any mortgage, upon such terms as may be deemed advisable, and to agree to a reduction in the rate of interest on any mortgage or to any other modification or change in the terms or of any mortgage or of any guarantee pertaining thereto, in any manner and to any extent that may be deemed advisable for the protection of the Trust Fund or the preservation of the value of the investment; to waive any default whether in the performance of any covenant or condition of any mortgage or in the performance of any guarantee, or to enforce any such default in such

manner and to such extent as may be deemed advisable; to exercise and enforce any and all rights of foreclosure, to bid in property on foreclosure, to take a deed in lieu of foreclosure, with or without paying a consideration therefore, and, in connection therewith, to release the obligation on the bond secured by such mortgage, and to exercise and enforce in any action, suit or proceeding at law or in equity any rights or remedies in respect to any such mortgage or guarantee.

- (i) To hold part of the Trust uninvested.
- (j) To employ suitable agents, counsel and accountants, and to pay their reasonable expenses and compensation.
- (k) To make, execute and deliver, as Trustees, any and all deeds, leases, mortgages, conveyances, contracts, waivers, releases or other instruments in writing necessary or proper for the accomplishment of any of the foregoing powers.
- (l) To invest and reinvest the Trust assets in real property and in mortgages, stocks, bonds and mutual investment funds or plans for the accumulation of mutual fund shares, and to make loans as the Trustees see fit. Without limiting the foregoing, the Trustees shall also have the right to invest and reinvest the Fund by depositing the same in interest bearing accounts at Savings Banks, Commercial Banks or Savings and Loan Associations.
- (m) If elected in Section 1.16. A. to make loans to Participants and Beneficiaries so long as such loans are available to all such Participants and Beneficiaries on a reasonably equivalent basis; such loans are not made available to highly compensated employees, officers, or shareholders of the Employer in an amount greater than the amount made available to other Employees; such loans bear a reasonable rate of interest; and such loans are adequately secured.
- (n) If elected in 1.16. B., to acquire or hold qualifying Employer real property and/or qualifying Employer

securities as defined under the Employee Income Retirement Security Act of 1974, as amended, and any regulations promulgated thereunder.

- (o) The preceding powers are listed by way of example and not by way of limitation, and the Trustees shall have such additional powers as may be necessary and proper for them to carry out their duties hereunder.

12.03. The words "securities or other property" as used in this Agreement shall be deemed to refer to any property, real or personal or part interest therein, wherever situated, including but without being limited to governmental, corporate or personal obligations, trust and participation certificates, leaseholds, fee titles, mortgages and other interests in realty, preferred and common stocks, and any other evidences of indebtedness or ownership, even though the same may not be legal investments for Trustees under the laws applicable hereto.

12.04. Investment Manager. The Employer, reserves the right to retain the services of one or more persons or firms for the management of (including the power to acquire and dispose of) all or any part of the Trust Fund, provided that each of such persons or firms is registered as an investment advisor under the Investment Advisors Act of 1940, is a bank (as defined in that Act), or is an insurance company qualified to manage, acquire, or dispose of trust assets under

the laws of more than one state, and provided that each of such persons or firms has acknowledged in writing that he is a fiduciary with respect to the Plan; in such event, the investment manager or managers shall have the same investment powers and duties of the Trustee, and the Trustee shall not be liable for the acts or omissions of such investment manager or managers, nor shall it be under any obligation to invest or otherwise manage any Trust Fund assets which are subject to the management of such investment manager or managers.

SECTION 13

THE TRUSTEE

- 13.01. Creation and Acceptance of Trust. The Trustee, by joining in the execution of the Trust Agreement, accepts the Trust hereby created, agrees to act in accordance with the express terms and conditions herein stated, and consents to becoming one of the named Fiduciaries hereunder. The Trustee shall have all powers necessary for the performance of his duties hereunder.
- 13.02. Removal or Resignation. Any Trustee may resign with 30 days notice in writing addressed to the Employer. The Board of Directors of the Employer shall have power to remove a Trustee on written notice and to fill vacancies in the Trustees. The appointment of a Trustee shall become effective upon his acceptance in writing addressed to the Employer and Administrator.
- 13.03. No Trustee shall be precluded from becoming a Participant under this Trust upon his meeting the requirements for eligibility.
- 13.04. Records. The Trustee shall keep records of the assets of the Trust and shall annually, or more frequently if requested by the Administrator, file accountings of his acts.

- 13.05. Disputes. The Trustee shall have the right to judicial settlement of disputes. In the event that any dispute shall arise as to any act to be performed by the Trustee, the Trustee may postpone performance until adjudication of such dispute in a court of competent jurisdiction. If they shall have been indemnified against loss to their satisfaction. However, the court shall have jurisdiction only for the purpose of settling the dispute.
- 13.06. The Trustee shall be under no duty to collect contributions from the Employer, or to determine questions relating to the Employer's records.
- 13.07. The Trustee shall have no liability or responsibility for the propriety, prudence or results of any investments made pursuant to directions under Section 1.13.B. or C.

SECTION 14

THE INSURER

- 14.01. The Insurer is not a party to this Agreement, and has no responsibility for its validity, and no person at any time may make the Insurer a party hereto.
- 14.02. The responsibilities of the Insurer shall be limited to the terms of its contracts. All modifications, alterations or changes in this Agreement shall be made known to the Insurer in writing.
- 14.03. The Insurer shall deal with the Trustee, or his representative as the sole owners of the Policies issued under this Trust. The Insurer shall be fully protected in relying on the statements of the Trustee.
- 14.04. The Insurer may expect this Trust to continue in force as is, and the named Trustee to continue as the Trustee of this Trust until notified otherwise in writing at its Home Office.
- 14.05. Employer Not Responsible for Acts of Insurer. The Employer shall not be responsible for any of the following nor shall it be liable for instituting action in connection with the same:
- (a) The validity of life insurance or annuity policies or policy provisions;
 - (b) Failure or refusal by the Insurer to provide benefits under a Policy;
 - (c) An act by a person which may render a policy invalid or unenforceable;

- (d) Inability to perform or delay in performing an act, which inability or delay is occasioned by a provision of a policy or a restriction imposed by the Insurer.

SECTION 15

THE ADMINISTRATOR

15.01. Designation and Acceptance. The Employer may designate that person or entity to serve as Administrator who shall signify their acceptance of this responsibility in writing as a named Fiduciary of the Plan.

15.02. Resignation and Removal; Appointment of Successor. The Administrator may resign at any time by delivering to the Employer a written notice of resignation, to take effect at a date specified therein, which shall not be less than thirty (30) days after the delivery thereof, unless such notice shall be waived.

The Administrator may be removed with or without cause by the Employer by delivery of written notice of removal, to take effect at a date specified therein, which shall be not less than thirty (30) days after delivery thereof, unless such notice shall be waived.

The Employer, upon receipt of or giving notice of the resignation or removal of the Administrator, shall promptly designate a successor Administrator who must signify ac-

ceptance of this position in writing. In the event no successor is appointed, the President of the Employer will function as the Administrator until a new Administrator has been appointed and has accepted such appointment.

15.03. Duties and Responsibility. The primary responsibility of the Administrator is to administer the Plan for the exclusive benefit of the Participants and their Beneficiaries, subject to the specific terms of the Plan. The Administrator shall administer the Plan and shall construe this Plan and Agreement and determine all questions of interpretation or policy in a manner not inconsistent with this Agreement and his construction or determination in good faith shall be final and conclusive. The Administrator may correct any defect, supply any omission, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of this Agreement; provided, however, that any interpretation or construction shall be done in a non-discriminatory manner and shall be consistent with the intent that the Plan shall continue to be deemed a qualified Plan under the terms of the Internal Revenue Code of 1954, as amended, and shall comply with the terms of

the Employee Retirement Income Security Act of 1974, as amended, and all Regulations issued pursuant thereto.

The Administrator shall have all powers necessary or appropriate to accomplish his duties under this Plan.

The Administrator shall be charged with the duties of the general administration of the Plan, including but not limited to, the following:

- (a) To determine all questions relating to the eligibility of Employees to participate in or remain a Participant hereunder;
- (b) To compute, certify and direct the Trustee with respect to the amount and kind of benefits to which any Participant shall be entitled hereunder;
- (c) To authorize and direct the Trustee with respect to all disbursements from the Trust;
- (d) To maintain all the necessary records for the administration of the Plan;
- (e) To interpret the provisions of the Plan and to make and publish such rules for regulation of the Plan as are not inconsistent with the terms hereof;
- (f) To advise the Trustee regarding the short and long term needs of the Plan in order that the Trustee might direct its investments accordingly;
- (g) To advise, counsel and assist any Participant regarding any rights, benefits or elections available under the Plan;
- (h) The Administrator shall also be responsible for preparing and filing such annual disclosure reports and tax forms as may be required from time to time by the Secretary of Labor or the Secretary of the Treasury.

- (i) The Administrator shall make copies of the Plan description and the latest annual report and any bargaining agreement, trust agreement, contract or other instruments under which the Plan was established or is operated available for examination by any Plan Participant or Beneficiary in the principal office of the Administrator and the Employer.
- (j) Whenever it is determined by the Administrator to be in the best interest of the Plan and its Participants or Beneficiaries, the Administrator may request such variances, deferrals, extensions, or exemptions or make such elections for the Plan as may be available under the law.
- (k) To compute and certify to the Employer and to the Trustee initially and for each Plan year the sum of money necessary to be contributed to the Fund.

15.04. Expenses and Compensation. All expenses necessary to administer the Plan shall be borne by the Plan, but may, in the discretion of the Employer, be paid directly by the Employer, including but not limited to those involved in retaining necessary professional assistance from a professional administrator, an attorney, an accountant, an actuary, or an investment advisor or the purchase of fiduciary liability insurance. Nothing shall prevent the Administrator from receiving reasonable compensation for services rendered in administering this Plan, provided the Administrator is not a Full Time Employee of any Employer creating this Plan.

15.05. Information From Employer. To enable the Administrator to perform his functions, the Employer shall supply full

and timely information to the Administrator on all matters relating to the compensation of all Participants, their continuous regular employment, their retirement, death, disability or termination of employment, and such other pertinent facts as the Administrator may require; and the Administrator shall advise the Trustee of such of the foregoing facts as may be pertinent to the Trustee's duties under the Plan. The Administrator is entitled to rely on such information as is supplied by the Employer and shall have no duty or responsibility to verify such information.

15.06. Disputes: The Administrator shall have the right to judicial settlement of disputes. In the event that any dispute shall arise as to any act to be performed by the Administrator, the Administrator may postpone performance until adjudication of such dispute in a court of competent jurisdiction or until they shall have been indemnified against loss to their satisfaction. However, the court shall have jurisdiction only for the purpose of settling the dispute.

SECTION 16

MISCELLANEOUS

- 16.01. No benefits under the Plan shall, in any manner, be alienated, assigned, pledged or encumbered. nor shall any benefits in any manner be liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled to such benefits as herein provided for him.
- 16.02. Unless the context requires otherwise, wherever used in this Plan, the masculine gender shall include the feminine and neuter gender, and the singular shall include the plural, and vice versa.
- 16.03. Except as otherwise provided in this Section 16.03., the assets of the Plan shall never inure to the benefit of the Employer and shall be held for the exclusive purposes of providing benefits to Participants in the Plan and their Beneficiaries, and defraying reasonable expenses of administering the Plan. The Employer contributions hereunder are conditioned on initial qualification of the Plan under Section 401 of the Internal Revenue Code of 1954, as amended, and such contribution may be returned to the Employer if the Plan is not initially qualified.

16.04. Claims Procedures. For purposes of receiving benefits under this Plan, a claim shall be filed. A claim is a request by a Participant or Beneficiary for a benefit under the Plan, and must be filed with the Administrator within 2 years from the date such benefit is initially due. Such claim shall be in writing and may be filed by either the claimant or the claimant's authorized representative. If a claim is wholly or partially denied by the Administrator, written notice setting forth the specific reason or reasons for denial, containing a specific reference to the Plan provisions on which the denial is being based, and a description of any additional material or information needed by the Administrator in order to perfect the claim and an explanation of why such material or information is necessary shall be sent to the claimant or his authorized representative. This written notice shall also contain an explanation of the Plan's claim review procedure. The written notice shall be mailed within 60 days of receipt by the Administrator of a claim. A claimant or his representative may within 120 days of receipt of the denial of the claim, appeal the denial of the claim and request a review of pertinent documents or may submit issues and comments to the Administrator by filing written notice of the

appeal with the Administrator. Within 60 days after receipt of an appeal, the Administrator shall render a decision in writing including the specific reasons with specific references to the pertinent Plan provisions on which the decision is based.

16.05. Binding on Parties. Persons claiming an interest or benefit under the Plan shall perform any and all acts including the execution of papers which may be necessary for carrying out its terms. This Plan and acts and decisions made by the Trustee and Administrator and the Employer shall be binding upon the heirs, executors, administrator, successors and assigns of any party hereto or any person claiming any benefit hereunder.

16.06. Interpretation and Administration. This Plan and Trust, created in the United States, embodies a Qualified Employee Benefit Plan of the Employer. It is for the exclusive benefit of persons employed by each Employer and their Beneficiaries and with respect to the Employer and its Employees shall be interpreted and administered in a manner consistent with the requirements of all applicable laws, including but not limited to the Internal Revenue Code and the Employee Retirement Income Security Act of 1974, as amended. Wherever in this Plan discretionary power is given to any

party, or wherever an interpretation shall be made, it shall be made in a non-discriminatory manner.

16.07. Allocation of Responsibilities. Unless provided otherwise herein, all responsibility for determining eligibility for participation, vesting, computation of benefits, authorization to pay benefits, and maintenance of accounts shall be with the Administrator. Responsibility for investment of trust assets and payment of benefits shall lie with the Trustee. Responsibility for distribution of reporting and disclosure material to Participants and Beneficiaries shall be with the Employer. The Employer shall also be responsible for maintenance of Compensation and employment records which will allow the Administrator to compute benefits. Other areas of responsibility not specifically allocated shall be allocated as the Employer, the Administrator and the Trustee may mutually agree.

16.08. Merger or Consolidation. In case of any merger or consolidation with, or transfer of assets or liabilities to any other plan, each Participant's benefit immediately after such merger, consolidation, or transfer shall not be less than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer (if the Plan had then terminated).

16.09. The Employer may appoint an agent empowered to accept service of legal process for the Plan and the Employer shall make such appointment known to the Administrator. In the absence of such appointment, the resident agent of the Employer shall be empowered to accept service of legal process for the Plan.

16.10. Payment on Behalf of Infant or Incompetent. If any person to whom a benefit is payable under any provisions of this Plan is an infant, or if the Trustee determines that any person to whom such benefit is payable is incompetent by reason of physical or mental disability, the Trustee shall have the power to cause the payments becoming due to such person to be made to another for his benefit without responsibility of the Trustee to see to the application of such payments.

IN WITNESS WHEREOF, the Parties hereto, being duly authorized, have hereunto set their hands and seals the day and year first written above.

THE EMPLOYER

CATALINA ENTERPRISES, INC.

ATTEST:

Lucas Wilson
Secretary

BY: *Wanda Smith* (SEAL)
President

THE TRUSTEE

Wanda Smith
Witness

Wanda Smith (SEAL)
Trustee

FIRST AMENDMENT

TO

CATALINA ENTERPRISES, INC.

PENSION PLAN

Pursuant to the provisions of Section 11.01 of the Catalina Enterprises, Inc., Pension Plan effective as amended and restated on January 1, 1976, said agreement is hereby amended in the following respects:

1. In Section 1.06 the clause "for every active Participant who is such on the last day of the Plan Year" is deleted and the clause "for every Participant who had 1000 or more Hours of Service during the Plan Year" is inserted in its place:

2. Section 2.21 is deleted and the following is inserted in its place:

"2.21 'Hours of Service' shall mean

(a) Each Hour of Service for which the Employer either directly or indirectly pays an Employee, or for which the Employee is entitled to payment for the performance of duties during the Plan Year. Hours of Service shall be credited under this paragraph (a) to the Employee for the Plan Year in which the Employee performs the duties, irrespective of when paid;

(b) Each Hour of Service for back pay, irrespective of mitigation of damages, to which the Employer has agreed or for which the Employee has received an award. Hours of Service shall be credited under this paragraph (b) to the Employee for the Plan Year(s) to which the

award or the agreement pertains rather than for the Plan Year in which the award, agreement or payment is made; and

(c) Each Hour of Service for which the Employer, either directly or indirectly, pays an Employee, or for which the Employee is entitled to payment (irrespective of whether the employment relationship is terminated) for reasons other than for the performance of duties during a Plan Year, such as leave of absence, vacation, holiday, sick leave, illness, incapacity (including disability), layoff, jury duty or military duty. Hours of Service shall be credited under this paragraph (c) for the Plan Year in which the Employer pays Employee, the Employee becomes entitled to payment or the payment becomes due, whichever occurs first. Notwithstanding the preceding provisions of this paragraph (c), there shall not be credited:

(1) More than 501 Hours of Service under this paragraph (c) to an Employee on account of any single continuous period during which the Employee does not perform any duties (whether or not such period occurs during a single Plan Year);

(2) An Hour of Service to an Employee on account of a period during which the Employee does not perform any duties if the payment the Employer makes (or the payment due) is under a plan maintained solely for the purpose of complying with the applicable workmen's compensation law, unemployment compensation law or disability insurance law; and

(3) An Hour of Service for a payment to an Employee which solely reimburses the Employee for medical or medically related expenses incurred by the Employee.

Hours of Service shall not be credited under more than one of the above paragraphs. Furthermore, if Hours of Service are to be credited to an Employee for the 12 month period beginning with the Employee's employment commencement date, then the 12 month period shall be substituted for the term 'Plan Year' wherever the later term appears in this Section.

Any ambiguities with respect to crediting Hours of Service shall be resolved in favor of the Employee. Furthermore, in crediting Hours of Service under this Section, rules contained in Labor Regulations §2530.200b-2 (b) and (c) shall be applied, and by this reference, such rules are hereby incorporated in full into this Section."

3. Section 3.01 is deleted and the following is inserted in its place:

"3.01 Eligibility Requirement. Each present and future employee of the Employer who meets all of the eligibility requirements shall participate in the Plan on the first Entry Date after meeting those requirements provided he is still employed on the Entry Date.

Employees who terminate service with the Employer and are re-employed shall participate in the Plan as follows:

(

(a) If an Employee's service is terminated before he entered the Plan, then upon re-employment he shall be considered as a new Employee for purposes of qualifying to participate in this Plan.

(b) If an Employee's service is terminated after participation has commenced and is re-hired before a Break in Service occurs, then such Employee shall continue participation in the Plan as if he had never been terminated and re-hired.

(c) If an Employee's service is terminated after participation has commenced and is re-hired after there is at least a one year Break in Service, then such Employee must again meet all the eligibility requirements of the plan, but upon doing so, he shall re-enter the Plan as of his date of re-hire."

4. In Section 4.01 beginning with "Notwithstanding the foregoing, the Employer shall have ..." to the end of Section 4.01 is deleted.

5. Section 8.04 is deleted and the following is inserted in its place:

"8.04 Death benefits shall be distributed according to the instructions of the deceased Participant. In the absence of instructions the death benefits shall be made available to the Beneficiary within 60 days after the close of the Plan Year in which the Participant dies and the death benefits shall be distributed as the Beneficiary may elect. All instructions regarding the distribution of death benefits shall be subject

to the approval of the Employer and Trustee which shall be granted or withheld in a non-discriminatory manner."

6. Section 16.03 is deleted and the following is inserted in its place:

"16.03 (a) Except as otherwise provided in this Section 16.03, the assets of the Plan shall never inure to the benefit of the Employer and shall be held for the exclusive purposes of providing benefits to Participants in the Plan and their Beneficiaries, and defraying reasonable expenses of administering the Plan.

(b) The Employer contributions hereunder are conditioned on initial qualification of the Plan under Section 401 of the Internal Revenue Code of 1954, as amended, and such contribution may be returned to the Employer if the Plan is not initially qualified.

(c) Additionally, upon termination of this Plan, amounts which are held unallocated in a suspense account, upon the request of the Employer shall be returned.

(d) In the case in which any Employer Contribution is made under a mistake of fact, such contribution shall, upon the written request of the Employer made within one year of the contribution, be returned.

(e) The Employer Contributions hereunder are conditioned upon the qualification of this Plan under Section 401 of the Internal Revenue Code; if the Plan is held not to qualify, such contributions shall, upon

the written request of the Employer made within one year of the denial of such qualification, be returned.

(f) The Employer Contributions hereunder are conditioned upon their deductibility under Section 404 of the Internal Revenue Code; if all or any part of a deduction is disallowed, then, upon the written request of the Employer made within one year of such disallowance, such contribution (to the extent of the disallowance) shall be returned.

(g) Paragraphs (d), (e), and (f) above shall not be effective until the Internal Revenue Service issues rulings on regulations allowing such provisions, and then they shall be effective to the extent allowed in the rulings or regulations."

7. The provisions of this amendment shall be effective retroactively to January 1, 1976.

IN WITNESS HEREOF, the parties hereto have caused these presents to be duly executed this 21 day of November, 1977.

THE EMPLOYER

ATTEST:

CATALINA ENTERPRISES, INC.

Seymour Miller
Secretary

BY: Richard Shofer
President

THE TRUSTEE

Seymour Miller
Witness

Richard Shofer
Richard Shofer - Trustee

FIRST AMENDMENT
TO
CATALINA ENTERPRISES, INC.
PENSION PLAN

Pursuant to the provisions of Section 11.01 of the Catalina Enterprises, Inc., Pension Plan effective as amended and restated on January 1, 1976, said agreement is hereby amended in the following respects:

1. In Section 1.06 the clause "for every active Participant who is such on the last day of the Plan Year" is deleted and the clause "for every Participant who had 1000 or more Hours of Service during the Plan Year" is inserted in its place:

2. Section 2.21 is deleted and the following is inserted in its place:

"2.21 'Hours of Service' shall mean

(a) Each Hour of Service for which the Employer either directly or indirectly pays an Employee, or for which the Employee is entitled to payment for the performance of duties during the Plan Year. Hours of Service shall be credited under this paragraph (a) to the Employee for the Plan Year in which the Employee performs the duties, irrespective of when paid;

(b) Each Hour of Service for back pay, irrespective of mitigation of damages, to which the Employer has agreed or for which the Employee has received an award. Hours of Service shall be credited under this paragraph (b) to the Employee for the Plan Year(s) to which the

award or the agreement pertains rather than for the Plan Year in which the award, agreement or payment is made; and

(c) Each Hour of Service for which the Employer, either directly or indirectly, pays an Employee, or for which the Employee is entitled to payment (irrespective of whether the employment relationship is terminated) for reasons other than for the performance of duties during a Plan Year, such as leave of absence, vacation, holiday, sick leave, illness, incapacity (including disability), layoff, jury duty or military duty. Hours of Service shall be credited under this paragraph (c) for the Plan Year in which the Employer pays Employee, the Employee becomes entitled to payment or the payment becomes due, whichever occurs first. Notwithstanding the preceding provisions of this paragraph (c), there shall not be credited:

(1) More than 501 Hours of Service under this paragraph (c) to an Employee on account of any single continuous period during which the Employee does not perform any duties (whether or not such period occurs during a single Plan Year);

(2) An Hour of Service to an Employee on account of a period during which the Employee does not perform any duties if the payment the Employer makes (or the payment due) is under a plan maintained solely for the purpose of complying with the applicable workmen's compensation law, unemployment compensation law or disability insurance law; and

(3) An Hour of Service for a payment to an Employee which solely reimburses the Employee for medical or medically related expenses incurred by the Employee.

Hours of Service shall not be credited under more than one of the above paragraphs. Furthermore, if Hours of Service are to be credited to an Employee for the 12 month period beginning with the Employee's employment commencement date, then the 12 month period shall be substituted for the term 'Plan Year' wherever the later term appears in this Section.

Any ambiguities with respect to crediting Hours of Service shall be resolved in favor of the Employee. Furthermore, in crediting Hours of Service under this Section, rules contained in Labor Regulations §2530.200b-2 (b) and (c) shall be applied, and by this reference, such rules are hereby incorporated in full into this Section."

3. Section 3.01 is deleted and the following is inserted in its place:

"3.01 Eligibility Requirement. Each present and future employee of the Employer who meets all of the eligibility requirements shall participate in the Plan on the first Entry Date after meeting those requirements provided he is still employed on the Entry Date.

Employees who terminate service with the Employer and are re-employed shall participate in the Plan as follows:

(a) If an Employee's service is terminated before he entered the Plan, then upon re-employment he shall be considered as a new Employee for purposes of qualifying to participate in this Plan.

(b) If an Employee's service is terminated after participation has commenced and is re-hired before a Break in Service occurs, then such Employee shall continue participation in the Plan as if he had never been terminated and re-hired.

(c) If an Employee's service is terminated after participation has commenced and is re-hired after there is at least a one year Break in Service, then such Employee must again meet all the eligibility requirements of the plan, but upon doing so, he shall re-enter the Plan as of his date of re-hire."

4. In Section 4.01 beginning with "Notwithstanding the foregoing, the Employer shall have ..." to the end of Section 4.01 is deleted.

5. Section 8.04 is deleted and the following is inserted in its place:

"8.04 Death benefits shall be distributed according to the instructions of the deceased Participant. In the absence of instructions the death benefits shall be made available to the Beneficiary within 60 days after the close of the Plan Year in which the Participant dies and the death benefits shall be distributed as the Beneficiary may elect. All instructions regarding the distribution of death benefits shall be subject

to the approval of the Employer and Trustee which shall be granted or withheld in a non-discriminatory manner."

6. Section 16.03 is deleted and the following is inserted in its place:

"16.03 (a) Except as otherwise provided in this Section 16.03, the assets of the Plan shall never inure to the benefit of the Employer and shall be held for the exclusive purposes of providing benefits to Participants in the Plan and their Beneficiaries, and defraying reasonable expenses of administering the Plan.

(b) The Employer contributions hereunder are conditioned on initial qualification of the Plan under Section 401 of the Internal Revenue Code of 1954, as amended, and such contribution may be returned to the Employer if the Plan is not initially qualified.

(c) Additionally, upon termination of this Plan, amounts which are held unallocated in a suspense account, upon the request of the Employer shall be returned.

(d) In the case in which any Employer Contribution is made under a mistake of fact, such contribution shall, upon the written request of the Employer made within one year of the contribution, be returned.

(e) The Employer Contributions hereunder are conditioned upon the qualification of this Plan under Section 401 of the Internal Revenue Code; if the Plan is held not to qualify, such contributions shall, upon

the written request of the Employer made within one year of the denial of such qualification, be returned.

(f) The Employer Contributions hereunder are conditioned upon their deductibility under Section 404 of the Internal Revenue Code; if all or any part of a deduction is disallowed, then, upon the written request of the Employer made within one year of such disallowance, such contribution (to the extent of the disallowance) shall be returned.

(g) Paragraphs (d), (e), and (f) above shall not be effective until the Internal Revenue Service issues rulings on regulations allowing such provisions, and then they shall be effective to the extent allowed in the rulings or regulations."

7. The provisions of this amendment shall be effective retroactively to January 1, 1976.

IN WITNESS HEREOF, the parties hereto have caused these presents to be duly executed this 5th day of Feb., 1976.

THE EMPLOYER

ATTEST:

CATALINA ENTERPRISES, INC.

Seymour M. Cl...
Secretary

BY: *Richard Shofer*
President

THE TRUSTEE

Samuel J. Beauchamp
Witness

Richard Shofer
Richard Shofer - Trustee

SECOND AMENDMENT
TO
CATALINA ENTERPRISES, INC.
PENSION PLAN

Pursuant to the provisions of Section 11.01 of the Catalina Enterprises, Inc. Pension Plan, effective as amended and restated on January 1, 1976, said agreement is hereby amended in the following respects:

1. Section 1.05 is deleted and the following is inserted in its place:

"1.05 Eligibility. Except as provided below, each Employee of the Employer shall be eligible to participate on the Entry Date which is coincident with or next following the date the Employee shall have attained Age 25 and shall have been employed by the Employer for one Year of Service as defined in Section 2.31A. This Plan shall have two Entry Dates each Plan Year, January 1st and July 1st.

Employees whose employment is governed by the terms of a collective bargaining agreement (as defined by the Secretary of Labor) between employee representatives and the Employer under which retirement benefits were the subject of good faith bargaining between said employee representatives and the Employer shall at no time be considered eligible to commence or to continue participation in this Plan."

2. Section 1.06 is deleted and the following is inserted in its place:

"1.06 Contribution Formula: For each Plan Year the Employer shall contribute on behalf of each Participant:

A. Who had 1,000 or more Hours of Service during the Plan Year, regardless of employment status at the end of the Plan Year; or,

B. Who died during the Plan Year; or,

C. Who retired during the Plan Year, or

D. Who was on leave of absence during the Plan Year;
or,

E. Who became disabled during the Plan Year;

as follows:

The contribution on behalf of each eligible Participant shall be an amount equal to 11.63% of each eligible Participant's Compensation, plus 7% of each eligible Participant's Compensation in excess of \$10,800. The Employer's contribution shall be reduced by the amount of Forfeitures occurring during the Plan Year."

3. Section 1.08 is deleted and the following is inserted in its place:

1.08	<u>VESTING</u>
<u>Years of Service</u>	<u>Nonforfeitable Percentage</u>
Less Than 1	0%
1	10%
2	20%
3	30%
4	40%
5	50%
6	60%
7	70%
8	80%
9	90%
10 or more	100%

(See Section 2.31B for exclusions from vesting.)

In any event each Participant shall be 100% vested by the later of (i) his sixty-fifth birthday or (ii) the tenth anniversary of his commencement of participation in this Plan.

Additionally, all Participants who were Participants on December 31, 1973, shall be 100% vested in their Accrued Benefits as of that date."

4. Sections 1.09 and 1.12 are deleted and the word "RESERVED" is inserted in its place.

5. Section 2.16 is deleted and the following is inserted in its place:

"2.16 'Entry Date' shall mean the date on which an eligible Employee commences participation in this Plan. This Plan shall have two Entry Dates each year, January 1st and July 1st.

Employees shall enter the Plan as of the first Entry Date which is coincident with or next following the time they meet the eligibility requirements, provided they are still employed on the Entry Date."

6. Paragraph (c) of Section 2.21 is deleted and the following is inserted in its place:

"(c) Each Hour of Service for which the Employer, either directly or indirectly, pays an Employee, or for which the Employee is entitled to payment (irrespective of whether the employment relationship is terminated) for reasons other than for the performance of duties during a Plan Year, such as leave of absence, vacation, holiday, sick leave, illness, incapacity (including disability), layoff, jury duty or military duty. Hours of Service shall be credited under this paragraph (c) for the Plan Year(s) in which the nonperformance occurs. Notwithstanding the preceding provisions of this paragraph (c), there shall not be credited:"

7. Section 2.31 is deleted and the following is inserted in its place:

"2.31 'Years of Service' shall be defined and computed as follows:

A. Eligibility Computation -- For purposes of computing the one Year of Service required for eligibility under Section 1.05, it shall begin with the date employment commences and the Employee shall not be eligible until the first Entry Date which occurs 12 months after the employment commencement date, provided the Employee has at least 1,000 Hours of Service during that first 12 month period.

If the Employee fails to complete at least 1,000 Hours of Service during that first 12 month period then he shall be eligible to enter the Plan on the first Entry Date after he completes 1,000 or more Hours of Service during the preceding Plan Year.

B. Vesting Computation -- Vesting shall be computed upon the Plan Year subject to the following:

1. For Plan Years which began on or after January 1, 1976, 1,000 or more Hours of Service during a Plan Year shall give a Participant one Year of Service for purposes of vesting. For Plan

Years which began before January 1, 1976, 12 months of service during a Plan Year shall give a Participant one Year of Service for purposes of vesting.

2. Unless otherwise provided pre and post Break Years of Service shall be aggregated for vesting purposes.

3. Nonvested Participants -- In the case of any Participant who has at least a one year Break in Service before he has any vested Accrued Benefit, Years of Service before any one year Break in Service shall not be counted if the number of consecutive one year Breaks in Service equals or exceeds the aggregate number of Years of Service prior to such break. Such "aggregate number of Years of Service prior to such break" shall not include any Years of Service not required to be taken into account by reason of any prior application of this paragraph.

4. In computing vesting, service prior to December 28, 1971, the original Effective Date of the Plan, shall be excluded.

5. In computing vesting, Years of Service completed before the Participant attained Age twenty-two (22) shall be excluded.

6. In the event the Employer is a member of a controlled group, as defined in Section 1563 of the Internal Revenue Code of 1954, as amended, then unless service can be excluded under 1 through 5 above, all service with any component member of the controlled group shall be aggregated."

8. Sections 3.01, 3.02 and 3.03 are deleted and the following Sections are inserted in their places:

"3.01. Eligibility Requirements.

A. Each present and future Employee of the Employer who meets all of the eligibility requirements shall commence participation in the Plan on the first Entry Date coincident with or next following the time when all the eligibility requirements are met provided he is still employed on such date. Such person shall continue his participation until he incurs a Break in Service, or fails to meet the eligibility requirements.

B. In the event a Participant becomes ineligible to participate because he is no longer a member of an eligible class of Employees, but has not incurred a Break in Service, such Employee shall participate immediately upon his return to an eligible class of Employees. If such Participant incurs a Break in Service, his eligibility to participate shall be determined pursuant to Section 3.02 hereof.

C. In the event an Employee who is not a member of the eligible class of Employees becomes a member of the eligible class, such Employee shall participate immediately if such Employee has satisfied the service requirements and would have previously become a Participant had he been in the eligible class.

3.02. Rehired Former Participants.

A. A former Participant shall become a Participant immediately upon his return to the employ of the Employer if such former Participant had a nonforfeitable right to all or a portion of his Accrued Benefit at the time of his termination.

B. A former Participant who did not have a nonforfeitable right to any portion of his Accrued Benefit at the time of his termination shall be considered a new Employee, for eligibility purposes, if the number of consecutive one year Breaks in Service equals or exceeds the aggregate number of Years of Service before such break. If such former Participant's Years of Service before his termination exceed the number of consecutive one year Breaks in Service after such termination, such Participant shall participate immediately.

C. In the event a Participant becomes ineligible to participate because he is no longer a member of an eligible class of Employees, but has not incurred a Break in Service, such Employee shall participate immediately upon his return to an eligible class of Employees. If such Participant incurs a Break in Service his eligibility to participate shall be determined pursuant to the two preceding paragraphs.

3.03. Notification of Eligibility. Upon becoming eligible to participate in this Plan, an Employee shall be notified by the Administrator.

3.04. Determination of Eligibility. The Administrator shall determine the eligibility of any Employee for participation in the Plan. Such determination shall be conclusive and binding upon all persons."

9. The first sentence of Section 4.05 is deleted and the following is inserted in its place:

"For any limitation year ending after December 31, 1979, the annual addition to a Participant's Account shall not exceed the lesser of \$36,875 (subject to an annual cost of living increase as determined by the Commissioner of Internal Revenue which will become effective only when such increase is announced) or twenty-five percent (25%) of the Participant's compensation from the Employer for such year."

10. After Section 6.11 the following new Sections 6.12 and 6.13 are hereby added:

"6.12. Disposition on Termination of Employment.

In the event a Participant terminates employment, then before the next premium is due, the terminated Participant shall be given the following options with respect to the Contracts on his life:

A. The Contracts may be transferred to the former Participant as all or part of his distribution of his vested interest, or

B. The Participant may purchase the Contracts from the Plan to the extent that the cash surrender value exceeds his vested interest, or

C. Loans may be made by the Plan against the Contracts to the extent the cash surrender value exceeds the Participant's vested interest and then the Contracts shall be transferred to the former Participant.

D. The Participant may have the Contracts cancelled and the cash surrender value added to the Participant's Account.

6.13. Purchase of Contracts. If Contracts are available, they may be bought, sold or otherwise transferred to or from the Plan so long as the purchase price is not in excess of the then present value of the Participant's Accrued Benefit and so long as such purchases conform to the requirements set out in the Class Exemptions concerning such transfers issued on June 21, 1977 by the Department of Treasury and Labor and published as Prohibited Transaction Exemptions 77-7 or 77-8 or whatever exemption may be in effect at that time."

11. Section 7.03 is deleted and the following is inserted in its place:

"7.03. Joint and Survivor Automatic Payout. If at the date Early or Normal Retirement benefit payments are to commence, a Participant has been continuously married for at least one year to his spouse, the benefits specified in Section 7.01 shall be payable as a Qualified Joint and Survivor Annuity unless during the Election Period, the Participant elects to have his benefits paid under some other option available in Section 7.04. Any such election shall be final after the annuity starting date, but may be revoked by a Participant prior to said date by filing a written revocation and new election with the Administrator on forms supplied by the Administrator.

For purposes of this Section, the Election Period shall be a period of not less than 90 days which shall commence when the Participant receives a detailed, nontechnical explanation of the benefits payable under the Plan along with a dollar and cents comparison of those benefits. In no event shall the Election Period end earlier than the ninetieth day before the commencement of benefits, and if necessary, the commencement of benefits may be delayed until the end of the Election Period.

If the Participant is not married at the annuity starting date, the normal form of benefit shall be an annuity payable for the life of the Participant with 100% of his Account, unless the Participant elects some optional method of settlement."

12. In Section 7.04 the clause which reads "At least 90 days prior to his Early or Normal Retirement Date, a Participant, with the consent of the Employer" is deleted and the following is inserted in its place:

"During the Election Period set out in Section 7.03, any Participant..."

13. **A**fter Section 7.04 a new Section 7.05 is hereby added:

7.05 Payment of Benefits. In the event any benefits are to be paid in any manner other than a lump sum, if such manner of payment is designated by the recipient, then before payments commence the recipient must file with the Trustee a written direction as to the method of payment. Such method shall be approved or disapproved by the Trustee and Administrator in a nondiscriminatory manner. Once payments commence the method of payment may not be changed or altered."

14. The following is hereby added to the end of Section 8.02:

"If the Participant designates a Beneficiary other than his spouse, it shall be presumed that the Participant has elected not to have the spouse receive a survivor's annuity."

15. In Section 8.03 "(1) Spouse" is deleted and the following is inserted in its place:

"(1) Spouse, who shall be paid in the form of a life annuity unless she elects otherwise;"

16. Sections 9.02 and 9.03 are deleted and the following Sections are inserted in their places:

"9.02 Vesting. The vested portion of the Participant's Account shall be determined in accordance with the schedule specified in Section 1.08 with Years of Service as computed under Section 2.31B.

9.03 Payment of Vested Benefits. Upon termination of active participation in the Plan for any reason other than Early or Normal Retirement, Death or Disability, such Participant's Account shall be maintained without regard to the termination until the close of the Plan Year in which a Break in Service occurs. At the end of that Plan Year, the nonvested Account shall be forfeited and disposed of according to Section 5.03. The vested portion of the Account shall be paid to the former Participant in such a manner as the Employer, acting in a nondiscriminatory manner, shall determine subject to the provision that:(i) in the event a Participant terminates employment after meeting the service requirement for Early Retirement, but before meeting the age requirement for Early Retirement, such Participant may elect to have his vested benefits commence as of the end of any Plan Year after he meets the age requirement for Early Retirement, and (ii) in any event benefits must commence not later than 60 days after the end of the Plan Year when the Participant would have reached his Normal Retirement Date.

9.04 Distributions Prior to a Break in Service. In the event a Participant terminates employment, then the Employer in its discretion, to be exercised in a nondiscriminatory manner, may direct the Trustee to pay the terminated Participant his vested Account, before a Break in Service occurs. In the event such a distribution is made and the terminated Participant is rehired before he has a Break in Service, so that the nonvested portion of his Account is not forfeited, then in such a case the vested portion of his remaining Account balance shall be computed as follows:

To the then current Account balance at any subsequent time shall be added the amount actually distributed. This sum shall be multiplied by the then current vesting percentage for such Participant. Then the amount actually distributed shall be subtracted from product just computed, the remainder being the current vested Account balance of that Participant.

Current Account Balance
+ Distribution
<hr/>
Sub Total
x Current Vested Percentage
<hr/>
Sub Total
- Distribution
<hr/>
Current Vested Account Balance"

17. Paragraph (o) of Section 12.02 is hereby redesignated as paragraph (q) and the following two paragraphs are inserted after paragraph (n):

"(o) To cause any investments from time to time held by it to be registered in, or transferred into, its name as Trustee, or the name of the nominee and to retain them unregistered or in form permitting transferability by delivery, but the books and records of the Trustee shall at all times show that all such investments are part of the Trust Fund.

(p) To invest or reinvest, in part or in whole, the assets of the Trust in any collective or commingled trust maintained by a Bank or Trust Company, which qualify as exempt trusts under either Section 501(a) or 584(b) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent Federal Revenue Law then in effect. In this connection, the commingling of the assets of the Trust with assets of other eligible participating trusts through such a medium is hereby specifically authorized. Any assets of the Trust which may be so added to such collective trusts shall be subject to all of the provisions of the applicable declaration of trust, as amended from time to time, which declaration, if required by its terms or by applicable regulations under the Internal Revenue Code is hereby adopted as part of this Plan, to the extent of the participation in such collective or commingled trusts by this Trust."

18. The provisions of this amendment shall be effective retroactively to January 1, 1977.

IN WITNESS HEREOF, the parties hereto, being duly authorized, have
hereunto set their hands and seals this _____ day of _____, 198__.

THE EMPLOYER

ATTEST:

CATALINA ENTERPRISES, INC.

Secretary

BY: _____
President

THE TRUSTEE

Witness

Richard Shofer--Trustee

CATALINA ENTERPRISES, INC.

PENSION PLAN

AND

TRUST AGREEMENT

THIS AGREEMENT is entered into this 18TH day of

October, 1970, by and between Catalina Enterprises,

Inc., a Maryland Corporation (hereinafter referred to as the

"Employer") and Richard Shofer (hereinafter referred to as the

"Trustee").

WHEREAS, the Employer had on December 28, 1971, established a Qualified Pension Plan, which is now being amended and restated in its entirety to conform to the requirements of the Employee Retirement Income Security Act of 1974, as amended, and this document has been written as a part of the Employer's and the Trustee's continuing good faith effort to comply with all the requirements of the laws and regulations as have been promulgated to this date;

WHEREAS, the Employer desires to establish and maintain a Qualified Pension Plan for the exclusive benefit of its Employees which Plan and related Trust is intended to comply with the Employee Retirement Income Security Act of 1974, as amended; qualify under Section 401(a) of the Internal Revenue Code of 1954, as amended; and thereby obtain a tax exempt status under Section 501(a) of said Code with contributions thereto being deductible under Section 404 of said Code; and

WHEREAS, the Employer desires to provide for the administration of the assets and income of the Trust and for the distribution of such assets and income as herein provided to its Employees and their Beneficiaries; and

WHEREAS, this Plan and Trust are established and maintained for the sole and exclusive benefit of those Employees of the Employer who shall be eligible to participate and for the benefit of the dependents and Beneficiaries of such Employees in the event of their death under the terms and conditions hereinafter set forth. No part of the Trust Fund can ever revert to the Employer, or be used or diverted to purposes other than the exclusive benefit of the Employees and their Beneficiaries, except as hereinafter provided.

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, it is agreed by and between the Employer and the Trustees, as follows:

SECTION 1

ELECTIVES

- 1.01. This Plan and Trust shall be known as the Catalina
Enterprises, Inc. Pension Plan.
- 1.02. The "Effective Date" of this Plan and Trust as amended
and restated shall be January 1, 1976.
- 1.03. The "Anniversary Date" of this Plan and Trust shall be
January 1st in each year.

COMPUTATION OF SERVICE AND COMPENSATION

- 1.04. n/a A. The Employer's fiscal year
(ending on _____ of each year)
- X B. The Plan Year
ending coincident with or next prior to the Valuation
Date shall be used for purposes of computing compensation
and allocations, or ending coincident with or next prior
to the Anniversary Date shall be used for purposes of
computing Years of Service.

ELIGIBILITY

- 1.05. Each Employee of the Employer, not a member of
the Excluded Class, shall be eligible to participate on
the Effective Date, Anniversary Date, or Entry Date coinci-
dent with or next following the date on which the Employee
X A. shall have attained age 25.

X B. shall have been employed by the Employer for twelve months. However, if the Plan has one Entry Date per year, any eligible Employee shall commence participation in the Plan on the Entry Date following the time he meets the other eligibility requirements.

ENTRY DATE SELECTION

X C. Two Entry Dates per year -- the Anniversary Date and 6 months thereafter.

n/a D. One Entry Date per year -- the Anniversary Date.

Employees of the Employer who are members of the Class or Classes enumerated below shall at no time be considered eligible to participate in the Plan.

X Employees whose employment is governed by the terms of a collective bargaining agreement (as defined by the Secretary of Labor) between employee representatives and the Employer under which retirement benefits were the subject of good faith bargaining between said employee representatives and the Employer.

n/a Employees who are paid on an hourly or daily basis.

n/a Employees deriving more than _____%, of total Compensation in the form of commissions or sales incentives.

1.06. Employer's Contribution to Participant's Account. During each Plan Year, the Employer shall contribute for every active Participant who is such on the last day of the Plan Year an amount equal to:

X A. 11.63% of such Participant's Compensation, plus an amount equal to 7% of such Participant's Compensation in excess of \$ 10,800. The Employer's contribution shall be reduced by the amount of forfeitures occurring during the Plan Year and

the contribution on behalf of each Participant shall be subject to the limit on annual additions described in Section 4.05.

n/a B. _____% of such Participant's Compensation, plus an amount equal to _____% of such Participant's Compensation in excess of the Social Security taxable wage base in effect at the beginning of the Plan Year.

n/a C. \$_____ for each Participant.

1.07. "Compensation" for purposes of this Plan shall mean the basic compensation paid to an Employee during the year including:

X overtime pay n/a commissions
n/a bonuses n/a basic compensation only

Compensation shall include:

X Only Compensation paid while the Participant participated in the Plan.
n/a Compensation paid during the entire measuring year specified in Section 1.04.

VESTING

1.08. n/a A. 100% after 10 years of service.

<u>n/a</u> B. Years of Service	<u>Nonforfeitable Percentage</u>
5	25
6	30
7	35
8	40
9	45
10	50
11	60
12	70
13	80
14	90
15 or more	100

<u>n/a</u>	C.	<u>If Years of Service Equal or Exceed:</u>	<u>And the Sum of Age and Service Equals or Exceeds:</u>	<u>Then the Nonforfeitable Percentage Is:</u>
		5	45	50
		6	47	60
		7	49	70
		8	51	80
		9	53	90
		10	55	100

Provided that a Participant who has completed 10 years of service, regardless of age, shall be 50% vested with vesting thereafter at an additional 10% for each year of service.

n/a D. 100% full and immediate.

X E. 10% for each year of service, beginning after 1 year of service.

Additionally, all Participants who were Participants on December 31, 1973, shall be 100% vested in their Accrued Benefits as of that date.

1.09. Computation of years of service for vesting purposes:

For purposes of computing vesting the following years of service shall not be counted.

X A. Years of service before age 22. (Not available if 1.08. C. is selected.)

X B. Years of service during which the Employer did not maintain this Plan or a predecessor Plan.

X C. Years of Service during which the Participant completed less than 1,000 hours of service.

EARLY RETIREMENT PROVISIONS

1.10. For purposes of Section 2.12. of the Plan, the following is elected:

- n/a A. There shall be no Early Retirement Date
- X B. Early Retirement shall occur upon attaining age 55 with 10 years of participation.
- n/a C. The Early Retirement Date shall be on any Anniversary Date which is within _____ years of the Normal Retirement Date.
- n/a D. (Other)

INSURANCE

- 1.11. n/a A. No life insurance or annuities may be purchased under this Plan except as an option under Section 7 or 9.
- X B. Such insurance shall be of the ordinary life insurance or a higher premium form, or an annuity, or term life insurance. The amount of premiums paid for ordinary life insurance shall be less than 50% of the aggregate Employer contributions allocated to the Account of a Participant for whom such ordinary life insurance is acquired. The amount of premiums paid for term life insurance shall not exceed 25% of the aggregate Employer contributions allocated to the Account of a Participant for whom such term life insurance is acquired. If both ordinary and term life insurance contracts are purchased, the premiums paid for term life insurance, plus one-half the premiums paid for ordinary life insurance, shall not exceed 25% of the Employer contributions allocated to an Employee's Account.
- n/a C. Further, the amount of insurance premiums shall be limited to the vested amount of a Participant's Account.

DISTRIBUTION UPON TERMINATION OF EMPLOYMENT

1.12. The following is selected with respect to distributions to be made not on account of Early or Normal Retirement, Death, or Disability:

- n/a A. Cash, Contracts, and/or the net cash surrender values of Contracts (if any) to be transferred to the former Participant within 60 days after the end of the Plan Year in which the former Employee incurs a Break in Service.
- n/a B. Distribution to be deferred until the earlier of Death or what would have been the former Employee's Early or Normal Retirement Date had he remained a Participant.
- n/a C. If the vested portion of the Accrued Benefit is sufficient to purchase at least a \$10 per month single premium Qualified Joint and Survivor Annuity commencing at what would have been the former Participant's Normal Retirement Date, the same shall be purchased, otherwise, distribution shall be in accordance with A above.
- X D. On a non-discriminatory basis, the Employer may select the method of distribution to be applied with respect to each distribution.
- n/a E. Distribution to be as described in C. above, with the right of the Employer, on a non-discriminatory basis, to select any other optional method of distribution.

In no event may distributions exceed the Participant's vested Accrued Benefit.

VOLUNTARY CONTRIBUTIONS AND PARTICIPANT DIRECTION

- 1.13. X A. A Participant may make voluntary contributions of up to 10% of his annual compensation for each year he is a Participant.

The cost or expenses attributable to voluntary contributions shall be paid by:

- n/a 1. The Participant
- n/a 2. The Trust and charged directly to the voluntary account.
- X 3. The Employer.

- X B. A Participant may direct the Trustee as to the specific investments to be made with his voluntary contributions.
- X C. A Participant may direct the Trustee as to the specific investments to be made with Employer contributions allocated to his Account.

DIRECTION OF INVESTMENTS BY EMPLOYER

- 1.14. X A. The Employer shall have the right to direct the Trustee with respect to the general mode of mix of investments to be made: i.e. percentage of common stocks to debt or fixed income investments; percentage in type of pooled or common Trust Fund.
- n/a B. The Employer shall exercise no direction in the investment of the Trust assets.

DISABILITY

1.15. For purposes of the Plan, the following is selected as the definition of "Disability":

- X A. A Participant shall be considered as permanently and totally disabled if he is eligible for and receives permanent disability benefits under Section 223 of the Social Security Act. A Participant who has applied for disability benefits under the Social Security Act is not eligible for disability benefits under the Plan pending the disposition of such application by the Social Security Administration.
- n/a B. A Participant shall be considered as permanently and totally disabled if he is unable to engage in any substantial gainful activity, considering the Participant's age, education and work experience, by reason of any medically determined physical or mental impairment which can be expected to result in death or which can be expected to last for a continuous period of not less than 12 months.
- n/a C. A Participant shall be considered as permanently and totally disabled if he is unable to engage in

his usual and customary occupation or specialty by reason of any medically determined physical or mental impairment which can be expected to last for a continuous period of not less than 12 months.

1.16. If elected below the Trustee may make the following investments:

- A. The Trustee may make loans to Participants as specified in Section 12.02. (n).
- B. The Trustee may invest in qualified Employer real property and qualified Employer securities as specified in Section 12.02. (n).

SECTION 2
DEFINITIONS

- 2.01. "Account" shall mean that amount allocated for the benefit of each Participant which is not invested in Contracts.
- 2.02. "Accrued Benefit" shall mean the sum of the cash value of all Contracts purchased for a Participant, and the value of said Participant's Account determined as of the previous Valuation Date.
- 2.03. "Administrator" shall mean the President of the Employer, or any successor duly appointed by the President of the Employer.
- 2.04. "Age" shall mean a person's age at his nearest birthday.
- 2.05. "Anniversary Date" shall mean the date designated in Section 1.03 which date shall be the first day of each Plan Year.
- 2.06. "Beneficiary" with respect to all benefits payable hereunder by reason of death of a Participant, shall mean a person or persons designated by a Participant or, in the absence of such designation, by the terms of this Plan.
- 2.07. "Break in Service" shall occur in any Plan Year during which the Participant completes 500 Hours of Service or less. A Break in Service shall not occur while the Employee

is on leave of absence from the Employer for a period not exceeding twelve (12) months or when the Employee terminates service with the Employer to enter the Armed Services of the United States, provided that such Employee returns to active service with the Employer within the time prescribed by law after his separation from such service. Any such leave of absence shall be granted in accordance with the Employer's normal policies and practices in a non-discriminatory manner.

- 2.08. "Compensation" shall mean that form of remuneration selected in Section 1.07., which is paid to a Participant during the year as selected in Section 1.04.
- 2.09. "Contract" shall mean any life insurance or annuity policy issued on the life of a Participant, pursuant to this Plan.
- 2.10. "Current Value" shall mean the fair market value, where available, and otherwise the fair value as determined in good faith by the Trustee as of the last Valuation Date.
- 2.11. "Disability" shall have the definition as selected in Section 1.15. A Participant who is disabled shall be deemed to have retired early.
- 2.12. "Early Retirement Date" shall mean any Anniversary Date following the Participant's meet the age and/or service

requirements designated in Section 1.10.

- 2.13. "Effective Date" shall mean the date designated in Section 1.02. hereof, as the date upon which the Plan first became effective as to the Employer.
- 2.14. "Employee" shall mean any individual employed by the Employer. However, an individual who performed services as a sole proprietor, partner, or independent contractor shall not be considered to have been an Employee during that period of time when he rendered such services to the Employer.
- 2.15. "Employer" shall mean any Employer who shall have assumed the obligations of this Plan by completing and executing this Agreement or a Joinder Agreement to this Plan.
- 2.16. "Entry Date" shall mean the day on which an eligible Employee commences participation in this Plan. For those Employees who meet the eligibility requirements on the Effective Date, it shall be the Effective Date. For other persons, it shall be:
- (a) In the case where an Employer has selected one Entry Date per year under Section 1.05., the Anniversary Date following the date the Employee meets the eligibility requirements.
 - (b) In the case where an Employer has selected two Entry Dates per year under Section 1.05., the Entry Date shall be the Anniversary Date and the date in each year which occurs six months after the Anniversary Date. In this case, Employees will commence participation on the Entry Date coincident with or next following the time he meets the eligibility requirements.

- 2.17. "Excluded Class" shall mean the class of Employees the Employer has designated in Section 1.05. as not eligible to participate in the Plan.
- 2.18. "Fiduciary" shall mean a person who exercises any discretionary authority or discretionary control respecting the management of the Plan; or who exercises any authority or control respecting the management or disposition of its assets; or who renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of such Plan or has any authority or responsibility to do so; or has any discretionary authority or discretionary responsibility in the administration of such Plan; or when designated by a named Fiduciary pursuant to authority granted by the Plan, who acts to carry out a fiduciary responsibility; or who assumes any Fiduciary responsibilities pursuant to Section 16.07., subject to any exceptions granted directly or indirectly by the Employee Retirement Income Security Act of 1974, as amended, or any Regulations promulgated pursuant to the authority contained therein.
- 2.19. "Forfeiture" shall mean the nonvested Accrued Benefit of any Participant who incurs a Break in Service during the Plan Year.

2.20. "Fund" shall mean the Fund accumulated under the Plan from Contributions not applied to purchase Contracts issued by the Insurer.

2.21. "Hour of Service" shall mean any 60 minute time period when the Employee is either directly or indirectly paid or entitled to be paid by the Employer for the performance of duties.

For purposes of determining whether a Break in Service has occurred an Employee will be credited with Hours of Service for any customary period of work, based on a 40 hour week or pro rata portion thereof, during which an Employee is directly or indirectly paid or entitled to payment, by the Employer for reasons (such as vacation, sickness or disability) other than for the performance of duties. This provision shall be construed so as to resolve any ambiguities in favor of crediting Employees with Hours of Service.

2.22. "Insurer" shall mean any legal reserve life insurance company as may issue any Contract under the provisions of this agreement, and is licensed to do business in the State of Maryland.

2.23. "Normal Retirement Age" shall mean the later of the Anniversary Date following the date upon which a Participant attains age 65 or the 10th anniversary of the date the

Participant commenced participation in this Plan.

- 2.24. "Participant" shall mean any Employee or former Employee of the Employer who is or may become eligible to receive a benefit of any type from this Plan or whose Beneficiaries may be eligible to receive any such benefit.
- 2.25. "Plan" shall mean the Plan as set forth in this document.
- 2.26. "Plan Year" shall mean the 12 month period beginning on each Anniversary Date.
- 2.27. "Qualified Joint and Survivor Annuity" shall mean an annuity for the life of the Participant with a survivor's annuity for the life of the Participant's spouse which is one half (1/2) of the amount of the annuity payable during the joint lives of the Participant and spouse.
- 2.28. "Special Valuation Date" shall mean any date other than the Valuation Date designated by the Administrator as a Valuation Date.
- 2.29. "Trustee" shall mean that person or persons so designated by the Board of Directors of the Employer to serve as Trustee and so named herein and who, by joining in the execution of the documents creating or amending this Plan, acting in his capacity as a party to the Trust, signifies his acceptance of this Trust, or any person duly appointed as a successor Trustee in accordance with the provisions of this Plan.

2.30. "Valuation Date" shall mean the last business day of each Plan Year.

2.31. "Years of Service", for purposes of computing vesting, shall be computed upon the 12 month period selected in Section 1.04. One thousand or more Hours of Service during such year shall give the Participant one Year of Service. For purposes of computing 12 months of service, which may be required for eligibility under Section 1.05.B., it shall be the 12 month period beginning when employment commences during which the Employee must have 1,000 or more Hours of Service. If the Employee fails to get at least 1,000 Hours of Service by the first anniversary date of his employment, then, the eligibility period, if any, specified in Section 1.05.B. shall be the 12 month period specified in Section 1.04., and the Employer shall not be eligible to participate until he has 1,000 or more Hours of Service during a year specified in Section 1.04.

SECTION 3

ELIGIBILITY AND PARTICIPATION

3.01. Eligibility Requirements. Each present and future Employee of the Employer who is not a member of an Excluded Class and who meets all of the eligibility requirements specified in Section 1.05 shall participate in the Plan. Such person shall continue as an active Participant until he incurs a Break in Service, or fails to meet the eligibility requirements.

Any Participant who incurs a Break in Service may participate in the Plan again provided he meets all the eligibility requirements and provided that he has 1,000 or more Hours of Service as an eligible Employee in the 12 month period immediately following the time he otherwise met the Plan's eligibility requirements.

3.02. Upon becoming eligible to participate in this Plan, an Employee shall be notified by the Administrator.

3.03. The Administrator shall determine the eligibility of any Employee for participation in the Plan. Such determination shall be conclusive and binding upon all persons.

SECTION 4

CONTRIBUTIONS

4.01. Financing Benefits. In order to carry out the provisions of this Plan and to provide the benefits hereunder, the Employer establishes a Money Purchase Pension Plan and Trust for the benefit of its Employees.

The Employer shall pay to the Trustee each year an amount in accordance with the formula set out in Section 1.06.

Notwithstanding the foregoing, the Employer shall have the right to suspend the contribution for any year or years in whole or in part, provided, however, that the Employer shall be required to make up any suspended contribution within 10 years after the original due date of such contribution with interest thereon at the actual rate earned by the Trust per annum from the original due date to the date of actual payment. Such made up contributions shall be allocated to each Participant, who was a Participant at the time the contribution was suspended, in the amount which would have been allocated had the contribution not been suspended by the Employer. In addition, the actual interest will be allocated in the same ratio as the allocation of the made up contribution. Forfeitures shall be calculated and treated in the same manner as if the contribution had not been suspended.

- 4.02. The Employer's contribution under this Plan shall be paid over to the Trustee no later than the date the corporate tax return is due for that year, including any extensions of time for the filing of the corporate tax return which have been approved by the Internal Revenue Service.
- 4.03. All amounts paid to the Trustee by the Employer shall constitute irrevocable contributions by the Employer to the Plan, except as otherwise specifically provided hereinafter.
- 4.04. No Participant shall be required to make any contributions under this Plan. But if provided for in Section 1.13., any Participant may make voluntary contributions to this Plan provided, however, that such contributions shall not exceed 10% of the Participant's compensation, nor shall a Participant's voluntary contributions to all qualified Plans of the Employer exceed 10% of his compensation. The right to make such contribution shall be cumulative for all Plan Years during which a Participant was such. A Participant who has failed or been unable to make the maximum voluntary contributions permitted hereunder may make up such contributions in any subsequent Plan Years in which he is an active Participant. If elected under Section 1.13.B., the

Participant may direct the Trustee in the investment of his voluntary contribution account. In such event, the Trustee shall be held totally harmless as to the propriety, prudence, and results of the such directions.

The Administrator shall maintain a separate Account for each Participant, to which shall be credited his voluntary contributions and any increments or decrements thereon.

The Administrator shall account separately for such voluntary contributions whether or not they are separately invested. All voluntary contributions for any Plan Year shall be due and payable to the Employer, for transmittal to the Trustee in one lump sum on the last day of the Plan Year. Alternatively, the Employer may institute a payroll deduction system (for those Participants desiring to make voluntary contributions) and transmit to the Trustee such sums as the Participant, by written authorization, may specify. Within 30 days after receipt or withholding of a Participant's contributions, the Employer shall remit to the Trustee and Administrator an itemized list of the contributing Participants and the amount of their contributions, the total amount of contributions collected or withheld, and the Administrator shall credit such contributions to the Accounts of the respective Participants as of the date of payment to the Trustee. With the consent of the Administrator,

to be based upon consistently applied, non-discriminatory policies, a Participant may elect to withdraw, as of any Anniversary Date, from the portion of his Account attributable to his voluntary contributions, any amount not in excess of the total contributions previously made by him, less the aggregate of his previous withdrawals. If a Participant does withdraw any of the principal of his voluntary account, he may redeposit that amount at a later date. At all times, a Participant shall be 100% vested in his voluntary contributions, including any increment earned thereon, and the Participant shall be entitled to receive payment thereof within 60 days after the end of the Plan Year in which employment terminates. Upon the death of a Participant, his Beneficiary shall be entitled to receive payment thereof in one lump sum, within 60 days after the end of the Plan Year in which the Participant dies. (The cost of administering a Participant's voluntary contributions account shall be paid in accordance with the selection made in Section 1.13.)

4.05. Overall Limitation of Contribution. For any Plan Year beginning after 12/31/75, the annual addition to a Participant's Account shall not exceed the lesser of \$25,000 (subject to annual cost of living increase in accordance

with regulations promulgated by the Internal Revenue Service) or twenty-five percent (25%) of the Participant's earnings from the Employer for such year.

The term "annual addition" means the sum of the following amounts allocated to the Account of each Participant:

- (a) the Employer's contribution; and
- (b) the lesser of:
 - (i) the Employee's voluntary contribution in excess of six percent (6%) of his Compensation; or
 - (ii) one-half of all the Employee's voluntary contribution.

All defined contribution plans of the Employer shall, for purposes of this limitation, be considered as one plan.

In any case in which an individual is a Participant in both a defined benefit plan and a defined contribution plan maintained by the same Employer, the sum of the defined benefit plan fraction and the defined contribution plan fraction for any year may not exceed 1.4. The defined benefit plan fraction for any year is a fraction:

- (a) the numerator of which is the projected annual benefit of the Participant under the Plan (determined as of the close of the year), and
- (b) the denominator of which is the maximum benefit allowable under Section 415 (b) of the Internal Revenue Code of 1954, as amended.

The defined contribution plan fraction for any year is a fraction:

- (a) the numerator of which is the sum of the annual additions for all Plan Years to the Participant's Account as of the close of the year, and
- (b) the denominator of which is the sum of the maximum amount of annual additions which could have been made for such year and for each prior year of service with the Employer.

If the annual addition made with respect to a particular Participant exceeds the limits set out above, then the addition in such year shall be reduced to the extent necessary first, by the Participant's contributions made during the year, which shall be returned; and secondly, by Employer contributions which shall be held in a suspense account and used to reduce the next Employer contribution.

If the Employer maintains a qualified profit sharing plan in addition to this Plan then the annual addition in the profit sharing plan shall be reduced first so that the limits shall not be exceeded. If the Employer maintains another qualified pension plan in addition to this Plan then the annual addition to this Plan shall first be reduced so that the limits shall not be exceeded.

Notwithstanding the above if any Participant is a Participant in both a defined contribution plan and a defined benefit plan maintained by the same Employer and the sum of the defined contribution plan fraction and the defined benefit plan fraction exceed 1.4, it may continue to exceed 1.4 provided that it may not increase above the level that it was on September 1, 1974 and provided further that no contributions are made under the defined contribution plan after September 2, 1974.

In the event that the Employer is a member of a controlled group of corporations or a group of trades or businesses under common control (as described in Sections 414(b) or (c) of the Internal Revenue Code, as modified by Section 415 (h) thereof), the allocations of the Employer Contribution to any Participant's Account and/or benefit from a deferred benefit Plan in any Plan Year shall be further limited by reason of the existence of other qualified retirement plans maintained by such affiliated corporations or other entities under common control, to the extent such reduction is required by Section 415 of the Internal Revenue Code and the regulations promulgated thereunder. The Administrator shall determine if any such reduction in the allocations to a Participant's Account and/or benefit are required for this reason, and if so, the same provisions as stated above shall apply.

The year of limitation for purposes of computing the above limits shall be as specified in Section 1.04.

4.06. Predecessor Plan Assets. The Trustee, notwithstanding the provisions of Section 4.05., may receive the assets of any qualified predecessor Plan of the Employer and invest such Assets in any manner in which he is authorized to invest the Assets of this Plan.

SECTION 5

VALUATION OF ACCOUNTS

- 5.01. Establishment of Account. The Administrator shall establish a separate Account for each Participant. Such Account shall be credited each year with all contributions for the Participant to the extent that such contributions are not applied to the purchase of contracts on the Participant's life from the Insurer. As soon as reasonably possible after each Valuation Date, each Participant shall be notified of the value of his Accrued Benefit as of such Valuation Date including the value of any portion of such Account attributable to his voluntary contributions, if any.
- 5.02. Valuation of Account at Year End. To determine the value of the Participant's Account the net assets of the Fund shall be valued at the then current market value, before crediting any contributions then due or paid for such Plan Year, and the Accounts of the Participants shall be adjusted proportionately to reflect any change in the value of such assets which shall result either from the earnings, losses, or expenses of the Trust or from an increase or decrease in the market value of such assets. For purposes of this valuation, a Participant's Account shall include any portion

attributable to contributions whose investment is not being directed by the Participant. Following such valuation, any contributions then due shall be credited to the Accounts of the Participants for whom they have been made.

5.03. Forfeitures. As of each Valuation Date, any amount which stood to the credit of a former Participant's Account and which has been forfeited during the Plan Year because a Break in Service has occurred, shall be used to reduce the next succeeding Employer contributions.

5.04. Special Valuations. In the event it is determined that the value of the Fund as of any date on which distributions are to be made differs materially from the value of the Fund on the Valuation Date or prior Special Valuation Date upon which the distribution is to be based, the Administrator, in his discretion, shall have the right to designate any date in the interim as a Special Valuation Date for the purpose of revaluing the Fund so that the Participant's Account from which the distribution is being made will, prior to the distribution, reflect its share of such material difference in value.

Similarly, the Administrator may adopt a policy of providing for regular interim valuations without regard to the materiality of changes in the value of the Fund.

5.05. Directed Investments. Notwithstanding any other provision of this Plan, if the election has been made in either Sections 1.13. B. or C., or 1.14. A., then the Participant and/or Employer, as the case may be, may, by written direction, direct the Trustee as to the investment of the Trust assets. Upon the directions of an individual Participant, the Trustee shall segregate, and thereafter hold in a separate account for the benefit of such Participant the amount indicated. Such segregated amounts shall be accounted for separately from the remainder of the Fund. Following the establishment of the segregated account, such Account shall be credited or debited only with increases or decreases resulting from the investment or administration of such Account, except that the Trustee may charge such Account its pro rata portion of the fees and expenses incurred in the administration of the Plan, as well as fees and expenses properly chargeable only to such Account, unless the Participant pays such fees and expenses directly. The Trustee shall have no liability as to the propriety, prudence or results of any investments made by reason of directions. The election by a Participant to direct investments or to return to common investment with the Fund shall become effective as of the next Valuation

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Date or Special Valuation Date which occurs at least 15 days following the receipt by the Employer (to be transmitted promptly to the Trustee) of written notice of direction from the Participant.

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SECTION 6

LIFE INSURANCE

- 6.01. If the Employer has elected to allow insurance coverage under Section 1.11., the purchase of insurance shall be optional to each Participant. However, the insurance premiums may not exceed the amounts and/or percentages specified in Section 1.11.
- 6.02. If a Participant is not insurable at standard rates, or is insurable only at a special class rating, such Participant may elect either:
- (a) To pay the additional rating through voluntary contributions (provided the limits on voluntary contributions and annual additions are not exceeded) and have the full amount of insurance issued; or
 - (b) To have a reduced amount of insurance issued so as not to exceed the limitation premiums set forth in Section 1.11.
- 6.03. If a Participant is deemed to be uninsurable, the premiums allowable under Section 1.11. may be used to purchase an annuity policy.
- 6.04. Loans. Loans may be made against any of the Contracts purchased hereunder in order to pay the premiums as due. Any such loans shall be made on a pro rata basis against all Contracts on the lives of all Participants, such pro-ration being made on the basis of the net cash surrender value of such Contracts. For purposes of this Section,

all Contracts on the life of any Participant shall be treated as a single Contract. Repayment shall be made on the same basis and no loan shall be made on any Contract on the life of one Participant to pay premiums on any Contract on the life of another Participant.

- 6.05. Ownership. The Trustee shall be the complete and absolute owner of the Contracts held in this Trust and of each and every incident of ownership therein including the right to receive all payments thereunder and shall have the power to exercise the rights, options, and privileges of an absolute owner with respect to the Contracts subject to the provisions of the Plan and Trust. The Trustee shall have the power to deal with and settle claims, but shall not be obligated to do so until it has been indemnified against loss or the expense of settlement by the Employer. The Trustee may designate the Administrator as custodian of the Contracts.
- 6.06. Dividends. Any dividends which shall become payable under any Contract shall be applied to reduce the premiums on the Contract.
- 6.07. Validity. Neither the Employer, Trustee nor the Administrator shall be responsible for the validity of any Contract nor for the failure on the part of the Insurer to make payments provided by the Contract, nor for the action of any other person which may render the Contract null and void or

unenforceable in whole or in part.

6.08. Additional Provisions. Each Contract may contain "waiver of premium" "accidental death and dismemberment" and/or "guaranteed insurability option" provisions, if available. If the Participant elects to have these provisions, the cost shall be paid by the Participant directly.

6.09. Premium Payment Limitations. If the Trustee is not permitted to pay insurance premiums because of the limitations in Section 1.11., a Participant may direct the Trustee to make loans against the Contracts or personally pay any premiums due, which are unpaid because of said provision, provided he pays the unpaid premium out of his voluntary contribution account.

6.10. Limitation on Benefits Prior to Date Contract is in Force. If any eligible Participant shall die after having complied with all the requirements for participation and before a Contract shall be in force on his life, any Employer contribution required to pay the initial premium on the Contract shall be paid to the Beneficiary designated by the Participant, or in the absence of such designation, as provided in Section 8.03.

6.11. Power to Purchase Keyman Insurance. The Trustee, if so instructed by the Employer, shall purchase keyman life

insurance on the life of any Employee of the Employer (whether or not a Participant) who is considered essential to the successful operation of the Employer. Any such key-man life insurance policy shall be purchased as an investment asset of the Trust and not for the benefit or account of any Participant and the entire death benefit under any such policy shall be made payable to the Trustee.

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SECTION 7

RETIREMENT BENEFITS

- 7.01. Retirement. A Participant who retires at his Normal Retirement Date shall be entitled to the value of his Accrued Benefit. If the Plan so provides under Section 1.10, a Participant may elect to retire early and receive benefits which shall be 100% of his Accrued Benefit. At the request of the Employer, a Participant may continue his employment past his Normal Retirement Date in which event his benefits shall be deferred to the date of his actual retirement and contributions shall continue to be made for him. The value of his benefits paid upon his actual retirement shall reflect the then current value of his Accrued Benefit.
- 7.02. A Participant shall be 100% vested in his Accrued Benefit upon meeting the requirements for Early or Normal Retirement and upon disability.
- 7.03. Joint and Survivor Automatic Payout. The normal form of benefit payable under the Plan for a Participant who retires at his Early or Normal Retirement Date shall be a Qualified

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Joint and Survivor Annuity purchasable by the Accrued Benefit. However, if the Participant is unmarried at the annuity starting date, the normal form of benefit shall be an annuity payable for the life of the Participant.

7.04. Optional Methods of Settlement. At least 90 days prior to his Early or Normal Retirement Date, a Participant, with the consent of the Employer, may elect to receive payment of his benefits in any of the following ways:

- (a) In a lump sum.
- (b) Payable in equal installments (not less frequently than annually) for the life of the Participant by having an annuity policy purchased with 100% of his Accrued Benefit.
- (c) Payable for a period certain, not to exceed 20 years and thereafter for the life of the Participant, by having an annuity policy purchased with 100% of his Accrued Benefit.
- (d) Payable in any other manner as the Participant, the Trustee and the Administrator may agree, that will guarantee that over 50% of the proceeds will be for the benefit of the Participant.

SECTION 8

DEATH BENEFITS

8.01. Death Benefit Payable. The death benefits payable upon the death of any Participant prior to his retirement shall be those amounts payable under the Contracts on his life plus 100% of the value of his Account. Any amounts in his voluntary Account shall be included in such death benefit. Notwithstanding anything to the contrary, if a person who was a Participant dies, but at the time of his death did not meet the Plan's eligibility requirements, except by reason of Early or Normal Retirement or Disability, then such person's death benefits under the Plan shall be the value of his Account as of the last previous Valuation Date multiplied by his vested percentage determined as of the day prior to his death plus the face amount of the Contracts, if any, payable by reason of the death.

8.02. Each Participant shall have the right, at any time, to designate a Beneficiary to receive such Death Benefit. Such designation shall be made by an instrument in writing, upon such form or forms as may be provided by the Administrator. Each such Participant also shall have the right, in the same manner, to revoke any such designation previously made and to designate another Beneficiary. The last such designation received by the Administrator in order of time shall revoke all prior designations.

8.03. If the Beneficiary named by a deceased Participant dies before the Participant or before complete payment of his benefits, and there is no living contingent Beneficiary named by such Participant, or if no Beneficiary has been named, payment shall be made in the following order of preference:

- (1) Spouse
- (2) Children, in equal shares, per stirpes
- (3) Parents, in equal shares, per stirpes
- (4) Brothers and Sisters, in equal shares, per stirpes
- (5) Nephews and Nieces, in equal shares, per stirpes
- (6) Equally to those persons who would have been heirs of the Participant had he died intestate.

8.04. Payment from the Account shall be made in a lump sum within 60 days after the end of the Plan Year in which the Participant dies. The Beneficiary may elect any mode of payment available under the Contracts with respect to death benefits payable under such Contracts.

SECTION 9

TERMINATION OF EMPLOYMENT

- 9.01. If employment is terminated due to Normal or Early Retirement or Disability, the Trustee shall pay to the Participant or his Beneficiaries 100% of the Accrued Benefit. Payment shall be in accordance with the provisions of Section 7, but payments shall commence no later than 60 days following the close of the Plan Year in which the Participant would have reached the earliest retirement date under the Plan or actually retires, whichever is later.
- 9.02. The vested portion of the Participant's Accrued Benefit shall be determined in accordance with the schedule selected in Section 1.08., and adjusted in accordance with the elections (if any) made in Section 1.09. Otherwise, in computing Years of Service for the purpose of vesting, all Years of Service with the Employer shall be included. However, Years of Service before January 1, 1971, shall be included only if the Employee has at least three Years of Service between January 1, 1971, and the Effective Date of this Plan. Also, if there was a predecessor Plan, Years of Service before the Effective Date of this Plan shall be computed under the rules of the predecessor Plan.

9.03. Upon termination of active participation in the Plan for any reason other than Normal or Early Retirement, Death or Disability, such Participant's Account shall be maintained without regard to such termination until the close of the Plan Year in which it is determined that a Break in Service has occurred. At the close of such Plan Year, the non-vested portion of such terminated Participant's Accrued Benefit shall be forfeited and disposed of in accordance with Section 5.03. Any vested portion of the Participant's Accrued Benefit shall be distributed in accordance with the selection made in Section 1.13. In no event shall distribution commence later than 60 days after what would have been the former Participant's Normal Retirement Date.

SECTION 10

DISTRIBUTION PROVISIONS

10.01. All distributions of benefits shall be determined on the last day of the Plan Year. However, the Administrator, on a non-discriminatory basis, may provide for a partial distribution to a Participant or Beneficiary (who qualifies for benefits under the Plan) prior to the next Valuation Date. In the event that a Special Valuation Date is not declared, such partial distribution shall not exceed 50% of the value of the Participant's Account on the most recent prior Valuation Date, plus 100% of the proceeds of any Contracts on his life.

SECTION 11

AMENDMENT AND TERMINATION

11.01. Employer Reserves Right to Amend or Terminate Agreement.

- (a) The Employer expressly reserves the right to alter, amend or terminate this Plan and Trust (including elections made in Section 1); provided, however, no such alteration, amendment or termination shall deprive any Participant or Beneficiary of any vested interest hereunder, and further provided, that no amendment may be made which changes the vesting schedule with respect to the benefit of any Participants unless each Participant with 5 or more years of Service is permitted to elect to have the old vesting schedule used to determine his vested benefit.
- (b) Any amendment shall be in writing, approved by the Board of Directors of the Employer, with copies furnished to the Trustee and the Administrator provided that no amendment shall increase the duties of the Trustee and/or Administrator without their consent.

Employer reserves the right to terminate this Plan at any time. Upon termination, partial termination or upon permanent discontinuance of Employer contributions, the interest of each Participant shall become fully vested and non-forfeitable.

11.02. Upon termination or partial termination of the Plan by a resolution of the Board of Directors of the Employer, the Trustee shall, within 60 days after the next Valuation Date, distribute to the Participants 100% of the Accrued Benefit of each Participant. Upon the permanent discontinuance of Employer contributions, the Trustee shall continue to invest the assets of the Plan for the benefit of the Participants and distributions are to be made in accordance with the other provisions of the Plan relating to distributions.

SECTION 12

TRUST FUND INVESTMENTS

12.01. Investment Policy. This Plan has been established for the sole purpose of providing benefits to the Participants and their Beneficiaries. The Trustee shall hold and invest all moneys contributed hereunder in trust for the benefit of the Participants and their Beneficiaries in accordance with the provisions of this document and any and all laws and regulations as may be lawfully issued.

12.02. The Trustees shall have the following powers and authority in the administration of the Trust Fund, in their uncontrolled discretion:

- (a) To purchase or subscribe to any securities or other property and to retain in trust such securities or other property.
- (b) To sell for cash or on credit, to grant options, convert, redeem, exchange for other securities or other property, or otherwise to dispose of any securities or other property at any time held by them.
- (c) To settle, compromise or submit to arbitration, any claims, debts or damages, due or owing to or from the Trust, to commence or defend suits or legal proceedings and to represent the Trust in all suits or legal proceedings.
- (d) To exercise any conversion privilege and/or subscription right available in connection with any securities or other property at any time held by them, to oppose or to consent to the reorganization, consolidation, merger or readjustment of the finances of any corporation, company or association or to sell, mortgage, pledge or lease such property of any corporation,

company, or association of any of the securities of which may at any time be held by them, and to do any act with reference thereto, including the exercise of options, the making of agreements or subscriptions and the payment of expenses, assessments or subscriptions, which may be deemed necessary or advisable in connection therewith, and to hold and retain any securities or other property which they may so acquire.

- (e) To exercise, personally or by general or by limited power of attorney, any right, including the right to vote, appurtenant to any securities or other property held by them at any time.
- (f) To borrow money from any lender in such amounts and upon such terms and conditions as shall be deemed advisable or proper to carry out the purposes of the Trust and to pledge any securities or other property for the repayment of any such loan.
- (g) To manage, administer, operate, lease for any number of years, regardless of any restrictions on leases made by fiduciaries, develop, improve, repair, alter, demolish, mortgage, pledge, grant options with respect to, or otherwise deal with any real property or interest therein at any time held by them, and to hold any such real property in their own name or in the name of a nominee, with or without the addition of words indicating that such property is held in a fiduciary capacity, and to cause to be formed a corporation or trust to hold title to any such real property with the aforesaid powers, all upon such terms and conditions as may be deemed advisable.
- (h) To renew or extend or participate in the renewal or extension of any mortgage, upon such terms as may be deemed advisable, and to agree to a reduction in the rate of interest on any mortgage or to any other modification or change in the terms or of any mortgage or of any guarantee pertaining thereto, in any manner and to any extent that may be deemed advisable for the protection of the Trust Fund or the preservation of the value of the investment; to waive any default whether in the performance of any covenant or condition of any mortgage or in the performance of any guarantee, or to enforce any such default in such

manner and to such extent as may be deemed advisable; to exercise and enforce any and all rights of foreclosure, to bid in property on foreclosure, to take a deed in lieu of foreclosure, with or without paying a consideration therefore, and, in connection therewith, to release the obligation on the bond secured by such mortgage, and to exercise and enforce in any action, suit or proceeding at law or in equity any rights or remedies in respect to any such mortgage or guarantee.

- (i) To hold part of the Trust uninvested.
- (j) To employ suitable agents, counsel and accountants, and to pay their reasonable expenses and compensation.
- (k) To make, execute and deliver, as Trustees, any and all deeds, leases, mortgages, conveyances, contracts, waivers, releases or other instruments in writing necessary or proper for the accomplishment of any of the foregoing powers.
- (l) To invest and reinvest the Trust assets in real property and in mortgages, stocks, bonds and mutual investment funds or plans for the accumulation of mutual fund shares, and to make loans as the Trustees see fit. Without limiting the foregoing, the Trustees shall also have the right to invest and reinvest the Fund by depositing the same in interest bearing accounts at Savings Banks, Commercial Banks or Savings and Loan Associations.
- (m) If elected in Section 1.16. A. to make loans to Participants and Beneficiaries so long as such loans are available to all such Participants and Beneficiaries on a reasonably equivalent basis; such loans are not made available to highly compensated employees, officers, or shareholders of the Employer in an amount greater than the amount made available to other Employees; such loans bear a reasonable rate of interest; and such loans are adequately secured.
- (n) If elected in 1.16. B., to acquire or hold qualifying Employer real property and/or qualifying Employer

securities as defined under the Employee Income Retirement Security Act of 1974, as amended, and any regulations promulgated thereunder.

- (o) The preceding powers are listed by way of example and not by way of limitation, and the Trustees shall have such additional powers as may be necessary and proper for them to carry out their duties hereunder.

12.03. The words "securities or other property" as used in this Agreement shall be deemed to refer to any property, real or personal or part interest therein, wherever situated, including but without being limited to governmental, corporate or personal obligations, trust and participation certificates, leaseholds, fee titles, mortgages and other interests in realty, preferred and common stocks, and any other evidences of indebtedness or ownership, even though the same may not be legal investments for Trustees under the laws applicable hereto.

12.04. Investment Manager. The Employer, reserves the right to retain the services of one or more persons or firms for the management of (including the power to acquire and dispose of) all or any part of the Trust Fund, provided that each of such persons or firms is registered as an investment advisor under the Investment Advisors Act of 1940, is a bank (as defined in that Act), or is an insurance company qualified to manage, acquire, or dispose of trust assets under

the laws of more than one state, and provided that each of such persons or firms has acknowledged in writing that he is a fiduciary with respect to the Plan; in such event, the investment manager or managers shall have the same investment powers and duties of the Trustee, and the Trustee shall not be liable for the acts or omissions of such investment manager or managers, nor shall it be under any obligation to invest or otherwise manage any Trust Fund assets which are subject to the management of such investment manager or managers.

SECTION 13

THE TRUSTEE

- 13.01. Creation and Acceptance of Trust. The Trustee, by joining in the execution of the Trust Agreement, accepts the Trust hereby created, agrees to act in accordance with the express terms and conditions herein stated, and consents to becoming one of the named Fiduciaries hereunder. The Trustee shall have all powers necessary for the performance of his duties hereunder.
- 13.02. Removal or Resignation. Any Trustee may resign with 30 days notice in writing addressed to the Employer. The Board of Directors of the Employer shall have power to remove a Trustee on written notice and to fill vacancies in the Trustees. The appointment of a Trustee shall become effective upon his acceptance in writing addressed to the Employer and Administrator.
- 13.03. No Trustee shall be precluded from becoming a Participant under this Trust upon his meeting the requirements for eligibility.
- 13.04. Records. The Trustee shall keep records of the assets of the Trust and shall annually, or more frequently if requested by the Administrator, file accountings of his acts.

- 13.05. Disputes. The Trustee shall have the right to judicial settlement of disputes. In the event that any dispute shall arise as to any act to be performed by the Trustee, the Trustee may postpone performance until adjudication of such dispute in a court of competent jurisdiction or until they shall have been indemnified against loss to their satisfaction. However, the court shall have jurisdiction only for the purpose of settling the dispute.
- 13.06. The Trustee shall be under no duty to collect contributions from the Employer, or to determine questions relating to the Employer's records.
- 13.07. The Trustee shall have no liability or responsibility for the propriety, prudence or results of any investments made pursuant to directions under Section 1.13.B. or C.

SECTION 14

THE INSURER

- 14.01. The Insurer is not a party to this Agreement, and has no responsibility for its validity, and no person at any time may make the Insurer a party hereto.
- 14.02. The responsibilities of the Insurer shall be limited to the terms of its contracts. All modifications, alterations or changes in this Agreement shall be made known to the Insurer in writing.
- 14.03. The Insurer shall deal with the Trustee, or his representative as the sole owners of the Policies issued under this Trust. The Insurer shall be fully protected in relying on the statements of the Trustee.
- 14.04. The Insurer may expect this Trust to continue in force as is, and the named Trustee to continue as the Trustee of this Trust until notified otherwise in writing at its Home Office.
- 14.05. Employer Not Responsible for Acts of Insurer. The Employer shall not be responsible for any of the following nor shall it be liable for instituting action in connection with the same:
- (a) The validity of life insurance or annuity policies or policy provisions;
 - (b) Failure or refusal by the Insurer to provide benefits under a Policy;
 - (c) An act by a person which may render a policy invalid or unenforceable;

- (d) Inability to perform or delay in performing an act, which inability or delay is occasioned by a provision of a policy or a restriction imposed by the Insurer.

SECTION 15

THE ADMINISTRATOR

15.01. Designation and Acceptance. The Employer may designate that person or entity to serve as Administrator who shall signify their acceptance of this responsibility in writing as a named Fiduciary of the Plan.

15.02. Resignation and Removal; Appointment of Successor. The Administrator may resign at any time by delivering to the Employer a written notice of resignation, to take effect at a date specified therein, which shall not be less than thirty (30) days after the delivery thereof, unless such notice shall be waived.

The Administrator may be removed with or without cause by the Employer by delivery of written notice of removal, to take effect at a date specified therein, which shall be not less than thirty (30) days after delivery thereof, unless such notice shall be waived.

The Employer, upon receipt of or giving notice of the resignation or removal of the Administrator, shall promptly designate a successor Administrator who must signify ac-

ceptance of this position in writing. In the event no successor is appointed, the President of the Employer will function as the Administrator until a new Administrator has been appointed and has accepted such appointment.

15.03. Duties and Responsibility. The primary responsibility of the Administrator is to administer the Plan for the exclusive benefit of the Participants and their Beneficiaries, subject to the specific terms of the Plan. The Administrator shall administer the Plan and shall construe this Plan and Agreement and determine all questions of interpretation or policy in a manner not inconsistent with this Agreement and his construction or determination in good faith shall be final and conclusive. The Administrator may correct any defect, supply any omission, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of this Agreement; provided, however, that any interpretation or construction shall be done in a non-discriminatory manner and shall be consistent with the intent that the Plan shall continue to be deemed a qualified Plan under the terms of the Internal Revenue Code of 1954, as amended, and shall comply with the terms of

the Employee Retirement Income Security Act of 1974, as amended, and all Regulations issued pursuant thereto.

The Administrator shall have all powers necessary or appropriate to accomplish his duties under this Plan.

The Administrator shall be charged with the duties of the general administration of the Plan, including but not limited to, the following:

- (a) To determine all questions relating to the eligibility of Employees to participate in or remain a Participant hereunder;
- (b) To compute, certify and direct the Trustee with respect to the amount and kind of benefits to which any Participant shall be entitled hereunder;
- (c) To authorize and direct the Trustee with respect to all disbursements from the Trust;
- (d) To maintain all the necessary records for the administration of the Plan;
- (e) To interpret the provisions of the Plan and to make and publish such rules for regulation of the Plan as are not inconsistent with the terms hereof;
- (f) To advise the Trustee regarding the short and long term needs of the Plan in order that the Trustee might direct its investments accordingly;
- (g) To advise, counsel and assist any Participant regarding any rights, benefits or elections available under the Plan;
- (h) The Administrator shall also be responsible for preparing and filing such annual disclosure reports and tax forms as may be required from time to time by the Secretary of Labor or the Secretary of the Treasury.

- (i) The Administrator shall make copies of the Plan description and the latest annual report and any bargaining agreement, trust agreement, contract or other instruments under which the Plan was established or is operated available for examination by any Plan Participant or Beneficiary in the principal office of the Administrator and the Employer.
- (j) Whenever it is determined by the Administrator to be in the best interest of the Plan and its Participants or Beneficiaries, the Administrator may request such variances, deferrals, extensions, or exemptions or make such elections for the Plan as may be available under the law.
- (k) To compute and certify to the Employer and to the Trustee initially and for each Plan year the sum of money necessary to be contributed to the Fund.

15.04. Expenses and Compensation. All expenses necessary to administer the Plan shall be borne by the Plan, but may, in the discretion of the Employer, be paid directly by the Employer, including but not limited to those involved in retaining necessary professional assistance from a professional administrator, an attorney, an accountant, an actuary, or an investment advisor or the purchase of fiduciary liability insurance. Nothing shall prevent the Administrator from receiving reasonable compensation for services rendered in administering this Plan, provided the Administrator is not a Full Time Employee of any Employer creating this Plan.

15.05. Information From Employer. To enable the Administrator to perform his functions, the Employer shall supply full

and timely information to the Administrator on all matters relating to the compensation of all Participants, their continuous regular employment, their retirement, death, disability or termination of employment, and such other pertinent facts as the Administrator may require; and the Administrator shall advise the Trustee of such of the foregoing facts as may be pertinent to the Trustee's duties under the Plan. The Administrator is entitled to rely on such information as is supplied by the Employer and shall have no duty or responsibility to verify such information.

15.06. Disputes: The Administrator shall have the right to judicial settlement of disputes. In the event that any dispute shall arise as to any act to be performed by the Administrator, the Administrator may postpone performance until adjudication of such dispute in a court of competent jurisdiction or until they shall have been indemnified against loss to their satisfaction. However, the court shall have jurisdiction only for the purpose of settling the dispute.

SECTION 16

MISCELLANEOUS

- 16.01. No benefits under the Plan shall, in any manner, be alienated, assigned, pledged or encumbered, nor shall any benefits in any manner be liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled to such benefits as herein provided for him.
- 16.02. Unless the context requires otherwise, wherever used in this Plan, the masculine gender shall include the feminine and neuter gender, and the singular shall include the plural, and vice versa.
- 16.03. Except as otherwise provided in this Section 16.03., the assets of the Plan shall never inure to the benefit of the Employer and shall be held for the exclusive purposes of providing benefits to Participants in the Plan and their Beneficiaries, and defraying reasonable expenses of administering the Plan. The Employer contributions hereunder are conditioned on initial qualification of the Plan under Section 401 of the Internal Revenue Code of 1954, as amended, and such contribution may be returned to the Employer if the Plan is not initially qualified.

16.04. Claims Procedures. For purposes of receiving benefits under this Plan, a claim shall be filed. A claim is a request by a Participant or Beneficiary for a benefit under the Plan, and must be filed with the Administrator within 2 years from the date such benefit is initially due. Such claim shall be in writing and may be filed by either the claimant or the claimant's authorized representative. If a claim is wholly or partially denied by the Administrator, written notice setting forth the specific reason or reasons for denial, containing a specific reference to the Plan provisions on which the denial is being based, and a description of any additional material or information needed by the Administrator in order to perfect the claim and an explanation of why such material or information is necessary shall be sent to the claimant or his authorized representative. This written notice shall also contain an explanation of the Plan's claim review procedure. The written notice shall be mailed within 60 days of receipt by the Administrator of a claim. A claimant or his representative may within 120 days of receipt of the denial of the claim, appeal the denial of the claim and request a review of pertinent documents or may submit issues and comments to the Administrator by filing written notice of the

appeal with the Administrator. Within 60 days after receipt of an appeal, the Administrator shall render a decision in writing including the specific reasons with specific references to the pertinent Plan provisions on which the decision is based.

16.05. Binding on Parties. Persons claiming an interest or benefit under the Plan shall perform any and all acts including the execution of papers which may be necessary for carrying out its terms. This Plan and acts and decisions made by the Trustee and Administrator and the Employer shall be binding upon the heirs, executors, administrator, successors and assigns of any party hereto or any person claiming any benefit hereunder.

16.06. Interpretation and Administration. This Plan and Trust, created in the United States, embodies a Qualified Employee Benefit Plan of the Employer. It is for the exclusive benefit of persons employed by each Employer and their Beneficiaries and with respect to the Employer and its Employees shall be interpreted and administered in a manner consistent with the requirements of all applicable laws, including but not limited to the Internal Revenue Code and the Employee Retirement Income Security Act of 1974, as amended. Wherever in this Plan discretionary power is given to any

party, or wherever an interpretation should be made, it shall be made in a non-discriminatory manner.

16.07. Allocation of Responsibilities. Unless provided otherwise herein, all responsibility for determining eligibility for participation, vesting, computation of benefits, authorization to pay benefits, and maintenance of accounts shall be with the Administrator. Responsibility for investment of trust assets and payment of benefits shall lie with the Trustee. Responsibility for distribution of reporting and disclosure material to Participants and Beneficiaries shall be with the Employer. The Employer shall also be responsible for maintenance of Compensation and employment records which will allow the Administrator to compute benefits. Other areas of responsibility not specifically allocated shall be allocated as the Employer, the Administrator and the Trustee may mutually agree.

16.08. Merger or Consolidation. In case of any merger or consolidation with, or transfer of assets or liabilities to any other plan, each Participant's benefit immediately after such merger, consolidation, or transfer shall not be less than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer (if the Plan had then terminated).

16.09. The Employer may appoint an agent empowered to accept service of legal process for the Plan and the Employer shall make such appointment known to the Administrator. In the absence of such appointment, the resident agent of the Employer shall be empowered to accept service of legal process for the Plan.

16.10. Payment on Behalf of Infant or Incompetent. If any person to whom a benefit is payable under any provisions of this plan is an infant, or if the Trustee determines that any person to whom such benefit is payable is incompetent by reason of physical or mental disability, the Trustee shall have the power to cause the payments becoming due to such person to be made to another for his benefit without responsibility of the Trustee to see to the application of such payments.

IN WITNESS WHEREOF, the Parties hereto, being duly authorized, have hereunto set their hands and seals the day and year first written above.

THE EMPLOYER

CATALINA ENTERPRISES, INC.

ATTEST:

Leona M. [unclear]
Secretary

BY: *[Signature]* (SEAL)
President

THE TRUSTEE

[Signature]
Witness

[Signature] (SEAL)
Trustee

FIRST AMENDMENT

TO

CATALINA ENTERPRISES, INC.

PENSION PLAN

Pursuant to the provisions of Section 11.01 of the Catalina Enterprises, Inc., Pension Plan effective as amended and restated on January 1, 1976, said agreement is hereby amended in the following respects:

1. In Section 1.06 the clause "for every active Participant who is such on the last day of the Plan Year" is deleted and the clause "for every Participant who had 1000 or more Hours of Service during the Plan Year" is inserted in its place:
2. Section 2.21 is deleted and the following is inserted in its place:

"2.21 'Hours of Service' shall mean

(a) Each Hour of Service for which the Employer either directly or indirectly pays an Employee, or for which the Employee is entitled to payment for the performance of duties during the Plan Year. Hours of Service shall be credited under this paragraph (a) to the Employee for the Plan Year in which the Employee performs the duties, irrespective of when paid;

(b) Each Hour of Service for back pay, irrespective of mitigation of damages, to which the Employer has agreed or for which the Employee has received an award. Hours of Service shall be credited under this paragraph (b) to the Employee for the Plan Year(s) to which the

award or the agreement pertains rather than for the Plan Year in which the award, agreement or payment is made; and

(c) Each Hour of Service for which the Employer, either directly or indirectly, pays an Employee, or for which the Employee is entitled to payment (irrespective of whether the employment relationship is terminated) for reasons other than for the performance of duties during a Plan Year, such as leave of absence, vacation, holiday, sick leave, illness, incapacity (including disability), layoff, jury duty or military duty. Hours of Service shall be credited under this paragraph (c) for the Plan Year in which the Employer pays Employee, the Employee becomes entitled to payment or the payment becomes due, whichever occurs first. Notwithstanding the preceding provisions of this paragraph (c), there shall not be credited:

(1) More than 501 Hours of Service under this paragraph (c) to an Employee on account of any single continuous period during which the Employee does not perform ~~any~~ duties (whether or not such period occurs during a single Plan Year);

(2) An Hour of Service to an Employee on account of a period during which the Employee does not perform any duties if the payment the Employer makes (or the payment due) is under a plan maintained solely for the purpose of complying with the applicable workmen's compensation law, unemployment compensation law or disability insurance law; and

(3) An Hour of Service for a payment to an Employee which solely reimburses the Employee for medical or medically related expenses incurred by the Employee.

Hours of Service shall not be credited under more than one of the above paragraphs. Furthermore, if Hours of Service are to be credited to an Employee for the 12 month period beginning with the Employee's employment commencement date, then the 12 month period shall be substituted for the term 'Plan Year' wherever the later term appears in this Section.

Any ambiguities with respect to crediting Hours of Service shall be resolved in favor of the Employee. Furthermore, in crediting Hours of Service under this Section, rules contained in Labor Regulations §2530.200b-2 (b) and (c) shall be applied, and by this reference, such rules are hereby incorporated in full into this Section."

3. Section 3.01 is deleted and the following is inserted in its place:

"3.01 Eligibility Requirement. Each present and future employee of the Employer who meets all of the eligibility requirements shall participate in the Plan on the first Entry Date after meeting those requirements provided he is still employed on the Entry Date.

Employees who terminate service with the Employer and are re-employed shall participate in the Plan as follows:

(a) If an Employee's service is terminated before he entered the Plan, then upon re-employment he shall be considered as a new Employee for purposes of qualifying to participate in this Plan.

(b) If an Employee's service is terminated after participation has commenced and is re-hired before a Break in Service occurs, then such Employee shall continue participation in the Plan as if he had never been terminated and re-hired.

(c) If an Employee's service is terminated after participation has commenced and is re-hired after there is at least a one year Break in Service, then such Employee must again meet all the eligibility requirements of the plan, but upon doing so, he shall re-enter the Plan as of his date of re-hire."

4. In Section 4.01 beginning with "Notwithstanding the foregoing, the Employer shall have ..." to the end of Section 4.01 is deleted.

5. Section 8.04 is deleted and the following is inserted in its place:

"8.04 Death benefits shall be distributed according to the instructions of the deceased Participant. In the absence of instructions the death benefits shall be made available to the Beneficiary within 60 days after the close of the Plan Year in which the Participant dies and the death benefits shall be distributed as the Beneficiary may elect. All instructions regarding the distribution of death benefits shall be subject

to the approval of the Employer and Trustee which shall be granted or withheld in a non-discriminatory manner."

6. Section 16.03 is deleted and the following is inserted in its place:

"16.03 (a) Except as otherwise provided in this Section 16.03, the assets of the Plan shall never inure to the benefit of the Employer and shall be held for the exclusive purposes of providing benefits to Participants in the Plan and their Beneficiaries, and defraying reasonable expenses of administering the Plan.

(b) The Employer contributions hereunder are conditioned on initial qualification of the Plan under Section 401 of the Internal Revenue Code of 1954, as amended, and such contribution may be returned to the Employer if the Plan is not initially qualified.

(c) Additionally, upon termination of this Plan, amounts which are held unallocated in a suspense account, upon the request of the Employer shall be returned.

(d) In the case in which any Employer Contribution is made under a mistake of fact, such contribution shall, upon the written request of the Employer made within one year of the contribution, be returned.

(e) The Employer Contributions hereunder are conditioned upon the qualification of this Plan under Section 401 of the Internal Revenue Code; if the Plan is held not to qualify, such contributions shall, upon

the written request of the Employer made within one year of the denial of such qualification, be returned.

(f) The Employer Contributions hereunder are conditioned upon their deductibility under Section 404 of the Internal Revenue Code; if all or any part of a deduction is disallowed, then, upon the written request of the Employer made within one year of such disallowance, such contribution (to the extent of the disallowance) shall be returned.

(g) Paragraphs (d), (e), and (f) above shall not be effective until the Internal Revenue Service issues rulings on regulations allowing such provisions, and then they shall be effective to the extent allowed in the rulings or regulations."

7. The provisions of this amendment shall be effective retroactively to January 1, 1976.

IN WITNESS HEREOF, the parties hereto have caused these presents to be duly executed this 21 day of November, 1977.

THE EMPLOYER

ATTEST:

CATALINA ENTERPRISES, INC.

Seymour Miller

Secretary

BY: Richard Shofer

President

THE TRUSTEE

Seymour Miller

Witness

Richard Shofer

Richard Shofer - Trustee

SECOND AMENDMENT
TO
CATALINA ENTERPRISES, INC.
PENSION PLAN

Pursuant to the provisions of Section 11.01 of the Catalina Enterprises, Inc. Pension Plan, effective as amended and restated on January 1, 1976, said agreement is hereby amended in the following respects:

1. Section 1.05 is deleted and the following is inserted in its place:

"1.05 Eligibility. Except as provided below, each Employee of the Employer shall be eligible to participate on the Entry Date which is coincident with or next following the date the Employee shall have attained Age 25 and shall have been employed by the Employer for one Year of Service as defined in Section 2.31A. This Plan shall have two Entry Dates each Plan Year, January 1st and July 1st.

Employees whose employment is governed by the terms of a collective bargaining agreement (as defined by the Secretary of Labor) between employee representatives and the Employer under which retirement benefits were the subject of good faith bargaining between said employee representatives and the Employer shall at no time be considered eligible to commence or to continue participation in this Plan."

2. Section 1.06 is deleted and the following is inserted in its place:

"1.06 Contribution Formula: For each Plan Year the Employer shall contribute on behalf of each Participant:

A. Who had 1,000 or more Hours of Service during the Plan Year, regardless of employment status at the end of the Plan Year; or,

B. Who died during the Plan Year; or,

C. Who retired during the Plan Year, or

D. Who was on leave of absence during the Plan Year;
or,

E. Who became disabled during the Plan Year;

as follows:

The contribution on behalf of each eligible Participant shall be an amount equal to 11.63% of each eligible Participant's Compensation, plus 7% of each eligible Participant's Compensation in excess of \$10,800. The Employer's contribution shall be reduced by the amount of Forfeitures occurring during the Plan Year."

3. Section 1.08 is deleted and the following is inserted in its place:

1.08	<u>VESTING</u>
<u>Years of Service</u>	<u>Nonforfeitable Percentage</u>
Less Than 1	0%
1	10%
2	20%
3	30%
4	40%
5	50%
6	60%
7	70%
8	80%
9	90%
10 or more	100%

(See Section 2.31B for exclusions from vesting.)

In any event each Participant shall be 100% vested by the later of (i) his sixty-fifth birthday or (ii) the tenth anniversary of his commencement of participation in this Plan.

Additionally, all Participants who were Participants on December 31, 1973, shall be 100% vested in their Accrued Benefits as of that date."

4. Sections 1.09 and 1.12 are deleted and the word "RESERVED" is inserted in its place.

5. Section 2.16 is deleted and the following is inserted in its place:

"2.16 'Entry Date' shall mean the date on which an eligible Employee commences participation in this Plan. This Plan shall have two Entry Dates each year, January 1st and July 1st.

Employees shall enter the Plan as of the first Entry Date which is coincident with or next following the time they meet the eligibility requirements, provided they are still employed on the Entry Date."

6. Paragraph (c) of Section 2.21 is deleted and the following is inserted in its place:

"(c) Each Hour of Service for which the Employer, either directly or indirectly, pays an Employee, or for which the Employee is entitled to payment (irrespective of whether the employment relationship is terminated) for reasons other than for the performance of duties during a Plan Year, such as leave of absence, vacation, holiday, sick leave, illness, incapacity (including disability), layoff, jury duty or military duty. Hours of Service shall be credited under this paragraph (c) for the Plan Year(s) in which the nonperformance occurs. Notwithstanding the preceding provisions of this paragraph (c), there shall not be credited:"

7. Section 2.31 is deleted and the following is inserted in its place:

"2.31 'Years of Service' shall be defined and computed as follows:

A. Eligibility Computation -- For purposes of computing the one Year of Service required for eligibility under Section 1.05, it shall begin with the date employment commences and the Employee shall not be eligible until the first Entry Date which occurs 12 months after the employment commencement date, provided the Employee has at least 1,000 Hours of Service during that first 12 month period.

If the Employee fails to complete at least 1,000 Hours of Service during that first 12 month period then he shall be eligible to enter the Plan on the first Entry Date after he completes 1,000 or more Hours of Service during the preceding Plan Year.

B. Vesting Computation -- Vesting shall be computed upon the Plan Year subject to the following:

1. For Plan Years which began on or after January 1, 1976, 1,000 or more Hours of Service during a Plan Year shall give a Participant one Year of Service for purposes of vesting. For Plan

Years which began before January 1, 1976, 12 months of service during a Plan Year shall give a Participant one Year of Service for purposes of vesting.

2. Unless otherwise provided pre and post Break Years of Service shall be aggregated for vesting purposes.

3. Nonvested Participants -- In the case of any Participant who has at least a one year Break in Service before he has any vested Accrued Benefit, Years of Service before any one year Break in Service shall not be counted if the number of consecutive one year Breaks in Service equals or exceeds the aggregate number of Years of Service prior to such break. Such "aggregate number of Years of Service prior to such break" shall not include any Years of Service not required to be taken into account by reason of any prior application of this paragraph.

4. In computing vesting, service prior to December 28, 1971, the original Effective Date of the Plan, shall be excluded.

5. In computing vesting, Years of Service completed before the Participant attained Age twenty-two (22) shall be excluded.

6. In the event the Employer is a member of a controlled group, as defined in Section 1563 of the Internal Revenue Code of 1954, as amended, then unless service can be excluded under 1 through 5 above, all service with any component member of the controlled group shall be aggregated."

8. Sections 3.01, 3.02 and 3.03 are deleted and the following Sections are inserted in their places:

"3.01. Eligibility Requirements.

A. Each present and future Employee of the Employer who meets all of the eligibility requirements shall commence participation in the Plan on the first Entry Date coincident with or next following the time when all the eligibility requirements are met provided he is still employed on such date. Such person shall continue his participation until he incurs a Break in Service, or fails to meet the eligibility requirements.

B. In the event a Participant becomes ineligible to participate because he is no longer a member of an eligible class of Employees, but has not incurred a Break in Service, such Employee shall participate immediately upon his return to an eligible class of Employees. If such Participant incurs a Break in Service, his eligibility to participate shall be determined pursuant to Section 3.02 hereof.

C. In the event an Employee who is not a member of the eligible class of Employees becomes a member of the eligible class, such Employee shall participate immediately if such Employee has satisfied the service requirements and would have previously become a Participant had he been in the eligible class.

3.02. Rehired Former Participants.

A. A former Participant shall become a Participant immediately upon his return to the employ of the Employer if such former Participant had a nonforfeitable right to all or a portion of his Accrued Benefit at the time of his termination.

B. A former Participant who did not have a nonforfeitable right to any portion of his Accrued Benefit at the time of his termination shall be considered a new Employee, for eligibility purposes, if the number of consecutive one year Breaks in Service equals or exceeds the aggregate number of Years of Service before such break. If such former Participant's Years of Service before his termination exceed the number of consecutive one year Breaks in Service after such termination, such Participant shall participate immediately.

C. In the event a Participant becomes ineligible to participate because he is no longer a member of an eligible class of Employees, but has not incurred a Break in Service, such Employee shall participate immediately upon his return to an eligible class of Employees. If such Participant incurs a Break in Service his eligibility to participate shall be determined pursuant to the two preceding paragraphs.

3.03. Notification of Eligibility. Upon becoming eligible to participate in this Plan, an Employee shall be notified by the Administrator.

3.04. Determination of Eligibility. The Administrator shall determine the eligibility of any Employee for participation in the Plan. Such determination shall be conclusive and binding upon all persons."

9. The first sentence of Section 4.05 is deleted and the following is inserted in its place:

"For any limitation year ending after December 31, 1979, the annual addition to a Participant's Account shall not exceed the lesser of \$36,875 (subject to an annual cost of living increase as determined by the Commissioner of Internal Revenue which will become effective only when such increase is announced) or twenty-five percent (25%) of the Participant's compensation from the Employer for such year."

10. After Section 6.11 the following new Sections 6.12 and 6.13 are hereby added:

"6.12. Disposition on Termination of Employment.

In the event a Participant terminates employment, then before the next premium is due, the terminated Participant shall be given the following options with respect to the Contracts on his life:

A. The Contracts may be transferred to the former Participant as all or part of his distribution of his vested interest, or

B. The Participant may purchase the Contracts from the Plan to the extent that the cash surrender value exceeds his vested interest, or

C. Loans may be made by the Plan against the Contracts to the extent the cash surrender value exceeds the Participant's vested interest and then the Contracts shall be transferred to the former Participant.

D. The Participant may have the Contracts cancelled and the cash surrender value added to the Participant's Account.

6.13. Purchase of Contracts. If Contracts are available, they may be bought, sold or otherwise transferred to or from the Plan so long as the purchase price is not in excess of the then present value of the Participant's Accrued Benefit and so long as such purchases conform to the requirements set out in the Class Exemptions concerning such transfers issued on June 21, 1977 by the Department of Treasury and Labor and published as Prohibited Transaction Exemptions 77-7 or 77-8 or whatever exemption may be in effect at that time."

11. Section 7.03 is deleted and the following is inserted in its place:

"7.03. Joint and Survivor Automatic Payout. If at the date Early or Normal Retirement benefit payments are to commence, a Participant has been continuously married for at least one year to his spouse, the benefits specified in Section 7.01 shall be payable as a Qualified Joint and Survivor Annuity unless during the Election Period, the Participant elects to have his benefits paid under some other option available in Section 7.04. Any such election shall be final after the annuity starting date, but may be revoked by a Participant prior to said date by filing a written revocation and new election with the Administrator on forms supplied by the Administrator.

For purposes of this Section, the Election Period shall be a period of not less than 90 days which shall commence when the Participant receives a detailed, nontechnical explanation of the benefits payable under the Plan along with a dollar and cents comparison of those benefits. In no event shall the Election Period end earlier than the ninetieth day before the commencement of benefits, and if necessary, the commencement of benefits may be delayed until the end of the Election Period.

If the Participant is not married at the annuity starting date, the normal form of benefit shall be an annuity payable for the life of the Participant with 100% of his Account, unless the Participant elects some optional method of settlement."

12. In Section 7.04 the clause which reads "At least 90 days prior to his Early or Normal Retirement Date, a Participant, with the consent of the Employer" is deleted and the following is inserted in its place:

"During the Election Period set out in Section 7.03, any Participant..."

13. After Section 7.04 a new Section 7.05 is hereby added:

"7.05 Payment of Benefits. In the event any benefits are to be paid in any manner other than a lump sum, if such manner of payment is designated by the recipient, then before payments commence the recipient must file with the Trustee a written direction as to the method of payment. Such method shall be approved or disapproved by the Trustee and Administrator in a nondiscriminatory manner. Once payments commence the method of payment may not be changed or altered."

14. The following is hereby added to the end of Section 8.02:

"If the Participant designates a Beneficiary other than his spouse, it shall be presumed that the Participant has elected not to have the spouse receive a survivor's annuity."

15. In Section 8.03 "(1) Spouse" is deleted and the following is inserted in its place:

"(1) Spouse, who shall be paid in the form of a life annuity unless she elects otherwise;"

16. Sections 9.02 and 9.03 are deleted and the following Sections are inserted in their places:

"9.02 Vesting. The vested portion of the Participant's Account shall be determined in accordance with the schedule specified in Section 1.08 with Years of Service as computed under Section 2.31B.

9.03 Payment of Vested Benefits. Upon termination of active participation in the Plan for any reason other than Early or Normal Retirement, Death or Disability, such Participant's Account shall be maintained without regard to the termination until the close of the Plan Year in which a Break in Service occurs. At the end of that Plan Year, the nonvested Account shall be forfeited and disposed of according to Section 5.03. The vested portion of the Account shall be paid to the former Participant in such a manner as the Employer, acting in a nondiscriminatory manner, shall determine subject to the provision that:(i) in the event a Participant terminates employment after meeting the service requirement for Early Retirement, but before meeting the age requirement for Early Retirement, such Participant may elect to have his vested benefits commence as of the end of any Plan Year after he meets the age requirement for Early Retirement, and (ii) in any event benefits must commence not later than 60 days after the end of the Plan Year when the Participant would have reached his Normal Retirement Date.

9.04 Distributions Prior to a Break in Service. In the event a Participant terminates employment, then the Employer in its discretion, to be exercised in a nondiscriminatory manner, may direct the Trustee to pay the terminated Participant his vested Account, before a Break in Service occurs. In the event such a distribution is made and the terminated Participant is rehired before he has a Break in Service, so that the nonvested portion of his Account is not forfeited, then in such a case the vested portion of his remaining Account balance shall be computed as follows:

To the then current Account balance at any subsequent time shall be added the amount actually distributed. This sum shall be multiplied by the then current vesting percentage for such Participant. Then the amount actually distributed shall be subtracted from product just computed, the remainder being the current vested Account balance of that Participant.

Current Account Balance	
+ Distribution	
Sub Total	
x Current Vested Percentage	
Sub Total	
- Distribution	
Current Vested Account Balance"	

17. Paragraph (o) of Section 12.02 is hereby redesignated as paragraph (q) and the following two paragraphs are inserted after paragraph (n):

"(o) To cause any investments from time to time held by it to be registered in, or transferred into, its name as Trustee, or the name of the nominee and to retain them unregistered or in form permitting transferability by delivery, but the books and records of the Trustee shall at all times show that all such investments are part of the Trust Fund.

(p) To invest or reinvest, in part or in whole, the assets of the Trust in any collective or commingled trust maintained by a Bank or Trust Company, which qualify as exempt trusts under either Section 501(a) or 584(b) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent Federal Revenue Law then in effect. In this connection, the commingling of the assets of the Trust with assets of other eligible participating trusts through such a medium is hereby specifically authorized. Any assets of the Trust which may be so added to such collective trusts shall be subject to all of the provisions of the applicable declaration of trust, as amended from time to time, which declaration, if required by its terms or by applicable regulations under the Internal Revenue Code is hereby adopted as part of this Plan, to the extent of the participation in such collective or commingled trusts by this Trust."

18. The provisions of this amendment shall be effective retroactively to January 1, 1977.

IN WITNESS HEREOF, the parties hereto, being duly authorized, have
hereunto set their hands and seals this _____ day of _____, 198__.

THE EMPLOYER

ATTEST:

CATALINA ENTERPRISES, INC.

Secretary

BY: _____
President

THE TRUSTEE

Witness

Richard Shofer--Trustee

INCOME TAX RETURNS

RICHARD SHOFER

1984

PENGAD-Bayonne, N. J.
**JOINT
EXHIBIT**
10
encl

PENGAD-Bayonne, N. J.
**PLAINTIFF'S
EXHIBIT**
NO. 10 *encl*

PENGAD-Bayonne, N. J.
**DEPOSITION
EXHIBIT**
Shofer 7-E

INTERNAL REVENUE SERVICE BALTIMORE, MD
 Receipt For Payment of
 8412
 13500.00 ITA
 13500.00 TO
 13500.00 CH
 3:35 PM
 APR 15 1985
 5201

18 Treasury Service (0)

Application for Automatic Extension of Time to File U.S. Individual Income Tax Return

OMB No. 1545-0188

1984

First name and initial (if joint return, also give spouse's name and initial) **Richard Shafer** Last name
 Your social security number **219 28 1068**
 Sent home address (Number and street, including apartment number, or rural route) **5006 Liberty Heights Ave**
 Spouse's social security no.

Town or post office, State, and ZIP code **Baltimore Maryland**

Form with the Internal Revenue Service Center where you must file your income tax return and pay the amount shown on flow. This is not an extension of time for payment of tax. You will be charged a penalty for late payment of tax and late less you show reasonable cause for not paying or filing on time (see instructions).

File a gift tax return (Form 709 or Form 709-A) for 1984, generally due by April 15, 1985, check this box
 Automatic 4-month extension of time to August 15, 1985, to file Form 1040A or Form 1040 for the calendar year 1984 (or if a 1040 to 19 for the tax year ending 19).

1	Total income tax liability for 1984. (You may estimate this amount.) Note: You must enter an amount on line 1. If you do not expect to owe tax, enter zero (0).	1	18140 2640
2	Federal income tax withheld		
3	1984 estimated tax payments (include 1983 overpayment allowed as a credit)		
4	Other payments and credits you expect to show on Form 1040A or Form 1040		
5	Add lines 2, 3, and 4	5	4640
6	Income tax balance due (subtract line 5 from line 1). Pay in full with this form. (If line 5 is more than line 1, enter zero (0)).	6	13500 2000
7	Total gift tax you expect to owe for 1984 (see instructions)	7	

APR 15 1985
 RECEIVED WITH RMD CASHIERS
 DIST. UNIT

If you send only one check for both income and gift tax due, attach a statement showing how much of the check applies to each type of tax.

Signature and Verification

If Prepared by Taxpayer.—Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Your signature _____ Date _____

Spouse's signature (if filing jointly, BOTH must sign even if only one had income) _____ Date _____

If Prepared by Someone Other Than Taxpayer.—Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

Signature of preparer other than taxpayer **[Signature], CPA** Date **4/9/85**

RICHARD SHOFER
5008 LIBERTY HEIGHTS AVENUE
BALTIMORE, MD 21207

4/15/ 19 85 1853

7-16/820

Pay to the order of Internal Revenue Service \$ 13,500

Thirteen Thousand Five Hundred Dollars

maryland national bank
WOODMOOR OFFICE 402
BALTIMORE, MARYLAND 21207

Memo 219-28-1068

Richard Shofer

⑆0520001681⑆1853⑆000 8538407⑆

Form **1040** U.S. Individual Income Tax Return **1984** (0)

Department of the Treasury—Internal Revenue Service

For the year January 1-December 31, 1984, or other tax year beginning 1984, ending 19 OMB No. 1545-0074

Use IRS label. Otherwise, please print or type.	Your first name and initial (if joint return, also give spouse's name and initial)	Last name	Your social security number
	<u>RICHARD</u>	<u>SHOFER</u>	<u>219 28 1068</u>
	Present home address (Number and street, including apartment number, or rural route)		Spouse's social security number
	<u>216 ST. DUNSTANS RD.</u>		
City, town or post office, State, and ZIP code		Your occupation	Spouse's occupation
<u>BALTIMORE MD 21212</u>		<u>CORP. EXECUTIVE</u>	

Presidential Election Campaign Do you want \$1 to go to this fund? Yes No
 If joint return, does your spouse want \$1 to go to this fund? Yes No

Note: Checking "Yes" will not change your tax or reduce your refund.

Filing Status

1 Single

2 Married filing joint return (even if only one had income)

3 Married filing separate return. Enter spouse's social security no. above and full name here.

4 Head of household (with qualifying person). (See page 5 of Instructions.) If the qualifying person is your unmarried child but not your dependent, write child's name here.

5 Qualifying widow(er) with dependent child (Year spouse died ▶ 19). (See page 6 of Instructions.)

Exemptions

6a Yourself 65 or over Blind

b Spouse 65 or over Blind

c First names of your dependent children who lived with you ANDY, DAVID

d Other dependents:

(1) Name	(2) Relationship	(3) Number of months lived in your home	(4) Did dependent have income of \$1,000 or more?	(5) Did you provide more than one-half of dependent's support?

Enter number of boxes checked on 6a and b ▶ 1

Enter number of children listed on 6c ▶ 2

Enter number of other dependents ▶ 3

1 Control number

2 Employer's name, address, and ZIP code
Catalina Enterprises, Inc.
t/a Crown Motors
5006 Liberty Heights Avenue
Baltimore, Maryland 21207

3 Employer's identification number 92-0820445

4 Employer's State number 187511-6

5 Stat. employee Deceased Legal rep. 942 emp. Subtotal Void

6 Allocated tips

7 Advance EIC payment

8 Employee's social security number 219-28-1068

9 Federal income tax 4640.00

10 Wages, tips, other compensation 141,000.00

11 Social security tax withheld 2432.00

12 Employee's name, address, and ZIP code
Richard Shofer
216 St. Dunstons Rd.
Baltimore, Maryland 21212

13 Social security wages 37,800.00

14 Social security tips

15

16

17 State income tax 450.00

18 State wages, tips, etc. 141,000

19 Name of State MD

20 Local income tax

21 Local wages, tips, etc.

22 Name of locality

141,000

1,970

(3,000)

(201)

Form W-2 Wage and Tax Statement 1984 To be filed with employee's State, City, or Local income tax return. Employee's and employer's copy compared.

22 Other income (state nature and source—see page 11 of Instructions)	22	
23 Add lines 7 through 22. This is your total income	23	<u>139,769</u>
24 Moving expense (attach Form 3903 or 3903F)	24	
25 Employee business expenses (attach Form 2106)	25	
26a IRA deduction, from the worksheet on page 12	26a	
b Enter here IRA payments you made in 1985 that are included in line 26a above ▶		
27 Payments to a Keogh (H.R. 10) retirement plan	27	
28 Penalty on early withdrawal of savings	28	
29 Alimony paid	29	
30 Deduction for a married couple when both work (attach Schedule W)	30	
31 Add lines 24 through 30. These are your total adjustments	31	
Adjusted Gross Income	32	<u>139,769</u>

32 Subtract line 31 from line 23. This is your adjusted gross income. If this line is less than \$10,000, see "Earned Income Credit" (line 59) on page 16 of Instructions. If you want IRS to figure your tax, see page 12 of Instructions.

Tax Computation

(See Instructions on page 13.)

33	Amount from line 32 (adjusted gross income)	33	139,769
34a	If you itemize, attach Schedule A (Form 1040) and enter the amount from Schedule A, line 26 Caution: If you have unearned income and can be claimed as a dependent on your parent's return, check here <input type="checkbox"/> and see page 13 of the Instructions. Also see page 13 if: • You are married filing a separate return and your spouse itemizes deductions, OR • You file Form 4563, OR • You are a dual-status alien.	34a	77,745
34b	If you do not itemize deductions, and you have charitable contributions, complete the worksheet on page 14. Then enter the allowable part of your contributions here	34b	
35	Subtract line 34a or 34b, whichever applies, from line 33	35	62,024
36	Multiply \$1,000 by the total number of exemptions claimed on Form 1040, line 6e	36	3,000
37	Taxable income. Subtract line 36 from line 35	37	59,024
38	Tax. Enter tax here and check if from <input type="checkbox"/> Tax Table, <input type="checkbox"/> Tax Rate Schedule X, Y, or Z, or <input checked="" type="checkbox"/> Schedule G	38	13,193
39	Additional Taxes. (See page 14 of Instructions.) Enter here and check if from <input type="checkbox"/> Form 4970, <input type="checkbox"/> Form 4972, or <input type="checkbox"/> Form 5544	39	
40	Add lines 38 and 39. Enter the total	40	13,193

Credits

(See Instructions on page 14.)

41	Credit for child and dependent care expenses (attach Form 2441)	41	
42	Credit for the elderly and the permanently and totally disabled (attach Schedule R)	42	
43	Residential energy credit (attach Form 5695)	43	
44	Partial credit for political contributions for which you have receipts	44	
45	Add lines 41 through 44. These are your total personal credits	45	
46	Subtract line 45 from 40. Enter the result (but not less than zero)	46	13,193
47	Foreign tax credit (attach Form 1116)	47	
48	General business credit. Check if from <input type="checkbox"/> Form 3800, <input type="checkbox"/> Form 3468, <input type="checkbox"/> Form 5884, <input type="checkbox"/> Form 6478	48	
49	Add lines 47 and 48. These are your total business and other credits	49	
50	Subtract line 49 from 46. Enter the result (but not less than zero)	50	13,193

Other Taxes

(Including Advance EIC Payments)

51	Self-employment tax (attach Schedule SE)	51	
52	Alternative minimum tax (attach Form 6251)	52	3,756
53	Tax from recapture of investment credit (attach Form 4255)	53	
54	Social security tax on tip income not reported to employer (attach Form 4137)	54	
55	Tax on an IRA (attach Form 5329)	55	
56	Add lines 50 through 55. This is your total tax	56	16,949

Payments

Attach Forms W-2, W-2G, and W-2P to front.

57	Federal income tax withheld	57	4,640
58	1984 estimated tax payments and amount applied from 1983 return	58	
59	Earned income credit. If line 33 is under \$10,000, see page 16	59	
60	Amount paid with Form 4868	60	13,500
61	Excess social security tax and RRTA tax withheld (two or more employers)	61	
62	Credit for federal tax on gasoline and special fuels (attach Form 4136)	62	
63	Regulated Investment Company credit (attach Form 2439)	63	
64	Add lines 57 through 63. These are your total payments	64	18,140

Refund or Amount You Owe

65	If line 64 is larger than line 56, enter amount OVERPAID	65	1,191
66	Amount of line 65 to be REFUNDED TO YOU	66	1,191
67	Amount of line 65 to be applied to your 1985 estimated tax	67	
68	If line 56 is larger than line 64, enter AMOUNT YOU OWE. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number and "1984 Form 1040" on it. (Check <input checked="" type="checkbox"/> if Form 2210 (2210F) is attached. See page 17 of Instructions.)	68	

Please Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature _____ Date _____
 Spouse's signature (if filing jointly, BOTH must sign) _____ Date _____

Paid Preparer's Use Only

Preparer's signature: [Signature] Date: 8/7/85
 Firm's name (or yours, if self-employed) and address: _____
 Check if self-employed Preparer's social security no. 219 26 8337
 E.I. No. _____ ZIP code _____

**SCHEDULES A&B
Form 1040**

Department of the Treasury
Internal Revenue Service (07)

Schedule A—Itemized Deductions

(Schedule B is on back)

▶ Attach to Form 1040. ▶ See Instructions for Schedules A and B (Form 1040).

OMB No 1545-0074

1984
07

Name(s) as shown on Form 1040

RICHARD SHOEFER

Your social security number

219 28 1068

Medical and Dental Expenses (Do not include expenses reimbursed or paid by others.) (See instructions on page 19)	1	Prescription medicines and drugs; and insulin	1		
	2	a Doctors, dentists, nurses, hospitals, insurance premiums you paid for medical and dental care, etc.	2a	<i>10,217</i>	
		b Transportation and lodging	2b		
		c Other (list—include hearing aids, dentures, eyeglasses, etc.)	2c		
	3	Add lines 1 through 2c, and write the total here	3	<i>10,217</i>	
	4	Multiply the amount on Form 1040, line 33, by 5% (.05)	4	<i>6,988</i>	
	5	Subtract line 4 from line 3. If zero or less, write -0-. Total medical and dental. ▶	5		<i>3,229</i>
Taxes You Paid (See instructions on page 20)	6	State and local income taxes	6	<i>1,792</i>	
	7	Real estate taxes	7	<i>6,273</i>	
	8	a General sales tax (see sales tax tables in instruction booklet)	8a	<i>1,285</i>	
		b General sales tax on motor vehicles	8b		
	9	Other taxes (list—include personal property taxes) ▶	9		
	10	Add the amounts on lines 6 through 9. Write the total here. Total taxes. ▶	10		<i>9,350</i>
Interest You Paid (See instructions on page 20)	11	a Home mortgage interest you paid to financial institutions	11a	<i>21,345</i>	
		b Home mortgage interest you paid to individuals (show that person's name and address) ▶	11b		
	12	Total credit card and charge account interest you paid	12	<i>311</i>	
	13	Other interest you paid (list) ▶ <i>POINTS-HOME MTS. \$3,264; GR. RENT \$120; CATALINA PENS. PLAN \$12,750; GERRI SHOEFER \$2,599; PROPERTY TAXES PAID LATE \$64; FROM FORM 4952 \$26,376.</i>	13	<i>45,173</i>	
	14	Add the amounts on lines 11a through 13. Write the total here. Total interest. ▶	14		<i>66,829</i>
Contributions You Made (See instructions on page 20)	15	a Cash contributions. (If you gave \$3,000 or more to any one organization, report those contributions on line 15b.)	15a	<i>415</i>	
		b Cash contributions totaling \$3,000 or more to any one organization. (Show to whom you gave and how much you gave.) ▶	15b		
	16	Other than cash (attach required statement)	16		
	17	Carryover from prior year	17		
	18	Add the amounts on lines 15a through 17. Write the total here. Total contributions. ▶	18		<i>415</i>
Casualty and Theft Losses	19	Total casualty or theft loss(es). (You must attach Form 4684 or similar statement.) (see page 21 of Instructions) ▶	19		
Miscellaneous Deductions (See instructions on page 21)	20	Union and professional dues	20		
	21	Tax return preparation fee	21		
	22	Other (list type and amount) ▶ <i>BUS. PUBLICATIONS... \$222</i>	22	<i>222</i>	
	23	Add the amounts on lines 20 through 22. Write the total here. Total miscellaneous. ▶	23		<i>222</i>
Summary of Itemized Deductions (See instructions on page 22)	24	Add the amounts on lines 5, 10, 14, 18, 19, and 23. Write your answer here.	24		<i>80,045</i>
	25	If you checked Form 1040 { Filing Status box 2 or 5, write \$3,400 } { Filing Status box 1 or 4, write \$2,300 } { Filing Status box 3, write \$1,700 }	25		<i>2,300</i>
	26	Subtract line 25 from line 24. Write your answer here and on Form 1040, line 34a. (If line 25 is more than line 24, see the instructions for line 26 on page 22.) ▶	26		<i>77,745</i>

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side)

Your social security number

RICHARD SHOFER

219 28 1068

Part III Summary of Parts I and II

20	Combine lines 8 and 19, and enter the net gain or (loss) here <i>Note: If line 20 is a loss, skip lines 21 through 23 and complete lines 24 and 25. If line 20 is a gain complete lines 21 through 23 and skip lines 24 and 25.</i>	20	(84,399)
21	If line 20 shows a gain, enter the smaller of line 19 or line 20. Enter zero if there is a loss or no entry on line 19.	21	
22	Enter 60% of line 21 <i>If line 22 is more than zero, you may be liable for the alternative minimum tax. See Form 6251.</i>	22	
23	Subtract line 22 from line 20. Enter here and on Form 1040, line 13	23	
24	If line 20 shows a loss, enter one of the following amounts: a If line 8 is zero or a net gain, enter 50% of line 20; b If line 19 is zero or a net gain, enter line 20; or c If line 8 and line 19 are net losses, enter amount on line 8 added to 50% of the amount on line 19	24	(42,199)
25	Enter here and as a loss on Form 1040, line 13, the smallest of: a The amount on line 24; b \$3,000 (\$1,500 if married and filing a separate return); or c Taxable income, as adjusted.	25	(3,000)

Part IV Computation of Post-1969 Capital Loss Carryovers from 1984 to 1985

(Complete this part if the loss on line 24 is more than the loss on line 25)

26	Enter loss shown on line 8; if none, enter zero and skip lines 27 through 30, then go to line 31	26	-0-
27	Enter gain shown on line 19. If that line is blank or shows a loss, enter zero	27	
28	Reduce any loss on line 26 to the extent of any gain on line 27	28	
29	Enter smaller of line 25 or line 28	29	
30	Subtract line 29 from line 28. This is your short-term capital loss carryover from 1984 to 1985	30	
31	Subtract line 29 from line 25. (Note: If you skipped lines 27 through 30, enter amount from line 25)	31	(3,000)
32	Enter loss from line 19; if none, enter zero and skip lines 33 through 36	32	(84,399)
33	Enter gain shown on line 8. If that line is blank or shows a loss, enter zero	33	
34	Reduce any loss on line 32 to the extent of any gain on line 33	34	(84,399)
35	Multiply amount on line 31 by 2	35	(6,000)
36	Subtract line 35 from line 34. This is your long-term capital loss carryover from 1984 to 1985	36	(78,399)

Part V Complete this Part Only If You Elect Out of the Installment Method and Report a Note or Other Obligation at Less Than Full Face Value *N/A*

- Check here if you elect out of the installment method.
Enter the face amount of the note or other obligation. ▶
Enter the percentage of valuation of the note or other obligation. ▶

Part VI Reconciliation of Forms 1099-B With Tax Return (Complete this part if you received one or more Forms 1099-B or equivalent statement reporting sales of stock, bonds, etc. or bartering income.) *N/A*

SECTION A.—Reconciliation of Sales of Stocks, Bonds, etc.

37	Total sales of stock, bonds, etc. from Forms 1099-B or equivalent statement received from your brokers	37	
38	Proceeds from sale or exchange of capital assets reported on Schedule D, but not included in line 37	38	
39	Add lines 37 and 38	39	
40	Part of line 37 not reported on Schedule D this year, attach explanation	40	
41	Subtract line 40 from line 39 <i>Note: The amount on line 41 should be the same as the total of all amounts on page 1, lines 1 and 9 of column d.</i>	41	

SECTION B.—Reconciliation of Bartering Income
Indicate below the amount of bartering income reported on each form or schedule

42	Form 1040, line 22	42	
43	Schedule C (Form 1040)	43	
44	Schedule D (Form 1040)	44	
45	Schedule E (Form 1040)	45	
46	Schedule F (Form 1040)	46	
47	Other (identify) (if not taxable, indicate reason—attach additional sheets if necessary) ▶	47	
48	Total (add lines 42 through 47) <i>Note: The amount on line 48 should be the same as the total bartering on all Forms 1099-B or equivalent statements received.</i>	48	

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (0)

Supplemental Income Schedule

(From rents and royalties, partnerships, estates, and trusts, etc.)

▶ Attach to Form 1040. ▶ See Instructions for Schedule E (Form 1040).

OMB No 1545-0074

1984
13

Name(s) as shown on Form 1040

RICHARD SHOFER

Your social security number

219 28 1068

Part I Rent and Royalty Income or Loss

1 Did you or a member of your family use for personal purposes any rental property listed below for more than the greater of 14 days or 10% of the total days rented at fair rental value during the tax year? Yes No

2 Description of Properties (Show kind and location for each)

Property A GAS STATION, 5000 LIBERTY RD.

Property B

Property C

Rental and Royalty Income	Properties			Totals (Add columns A, B, and C)	
	A	B	C		
3 a Rents received	2,592			3 2,592	
b Royalties received					
Rental and Royalty Expenses					
4 Advertising	4				
5 Auto and travel	5				
6 Cleaning and maintenance	6				
7 Commissions	7				
8 Insurance	8				
9 Interest	9				
10 Legal and other professional fees	10				
11 Repairs	11				
12 Supplies	12				
13 Taxes (Do not include Windfall Profit Tax here. See Part III, line 37.)	13 1,207				
14 Utilities	14				
15 Wages and salaries	15				
16 Other (list) ▶					
17 Total expenses other than depreciation and depletion. Add lines 4 through 16	17 1,207				17 1,207
18 Depreciation expense (see Instructions), or depletion	18 1,586				18 1,586
19 Total. Add lines 17 and 18	19 2,793				
20 Income or (loss) from rental or royalty properties. Subtract line 19 from line 3a (rents) or 3b (royalties)	20 (201)				
21 Add properties with profits on line 20, and write the total profits here				21	
22 Add properties with losses on line 20, and write the total (losses) here				22 (201)	
23 Combine amounts on lines 21 and 22, and write the net profit or (loss) here				23 (201)	
24 Net farm rental profit or (loss) from Form 4835, line 49				24	
25 Total rental or royalty income or (loss). Combine amounts on lines 23 and 24, and write the total here. If Parts II, III, and IV on page 2 do not apply to you, write the amount from line 25 on Form 1040, line 18. Otherwise, include the amount in line 39 on page 2 of Schedule E				25 (201)	

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule E (Form 1040) 1984

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side)

Your social security number

Part II Income or Losses from Partnerships, Estates or Trusts, or S Corporations

If you report a loss below, and have amounts invested in that activity for which you are not at risk, you may have to file Form 6198. See instructions.

	(a) Name	(b) Check if foreign partnership	(c) Employer identification number	(d) Net loss (see instructions for at-risk limitations)	(e) Net income
Partnerships					
	26 Add amounts in columns (d) and (e) and write the total(s) here			26 ()	
	27 Combine amounts in columns (d) and (e), line 26, and write the net income or (loss) here			27	
	28 Deduction for section 179 property (from Form 1065, Schedule K-1). (See Instructions for limitations.)			28 ()	
	29 Total partnership income or (loss). Combine amounts on lines 27 and 28. Write the total here and include in line 39 below			29	
Estates or Trusts					
	30 Add amounts in columns (d) and (e) and write the total(s) here			30 ()	
	31 Total estate or trust income or (loss). Combine amounts in columns (d) and (e), line 30. Write the total here and include in line 39 below			31	
S Corporations					
	32 Add amounts in columns (d) and (e) and write the total(s) here			32 ()	
	33 Combine amounts in columns (d) and (e), line 32, and write the net income or (loss) here			33	
	34 Deduction for section 179 property (from Form 1120S, Schedule K-1). (See Instructions for limitations.)			34 ()	
	35 Total S corporation income or (loss). Combine amounts on lines 33 and 34. Write the total here and include in line 39 below			35	

Part III Windfall Profit Tax Summary

36	Windfall profit tax credit or refund received in 1984 (see instructions)	36
37	Windfall profit tax withheld in 1984 (see instructions)	37 ()
38	Combine amounts on lines 36 and 37. Write the total here and include in line 39 below	38

Part IV Summary

39	TOTAL income or (loss). Combine lines 25, 29, 31, 35, and 38. Write total here and on Form 1040, line 18 ▶	39
40	Farmers and fishermen: Write your share of GROSS FARMING AND FISHING INCOME applicable to Parts I and II	40

Part V Depreciation Claimed in Part I.—Complete only if property was placed in service before January 1, 1981. For more space, use a separate sheet. If you placed any property in service after December 31, 1980, use Form 4562 for all property; do NOT complete Part V.

	(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in prior years	(e) Depreciation method	(f) Life or rate	(g) Depreciation for this year
Property A	BUILDING	10-1-78	23,787	8,325	S.L.	15 YR.	1,586
	LAND	✓	10,194				
	Totals (Property A)						1,586
Property B							
	Totals (Property B)						
Property C							
	Totals (Property C)						

Schedule G
Form 1040)

Department of the Treasury
Internal Revenue Service (0)

Income Averaging

▶ See instructions on back. ▶ Attach to Form 1040.

OMB No. 1545-0074

1984

16

Name(s) as shown on Form 1040

RICHARD SHOFER

Your social security number

219 28 1068

Step 1 Add your income from 1981—1983

981	1	Fill in the amount from your 1981 Form 1040 (line 34) or Form 1040A (line 12). If less than zero, enter zero	1	4,811
982	2	Fill in the amount from your 1982 Form 1040 (line 37), Form 1040A (line 16), or Form 1040EZ (line 7). If less than zero, enter zero	2	10,967
983	3	Fill in the amount from your 1983 Form 1040 (line 37), Form 1040A (line 19), or Form 1040EZ (line 7). If less than zero, enter zero	3	24,467
Total	4	Fill in all income less deductions earned outside of the U.S. or within U.S. possessions and excluded for 1981 through 1983 (include housing exclusion in 1982 and 1983)	4	
	5	Add lines 1 through 4	5	40,245

Step 2 Figure your averageable income

	6	Divide the amount on line 5 by three (3)	6	13,415
	7	Multiply the amount on line 6 by 140% (1.4)	7	18,781
	8	Fill in your taxable income for 1984 from Form 1040, line 37.	8	59,024
	9	If you received a premature or excessive distribution subject to a penalty under section 72, see instructions	9	
	10	Subtract line 9 from line 8.	10	59,024
	11	If you live in a community property state and are filing a separate return, see instructions.	11	
	12	Subtract line 11 from line 10. If less than zero, enter zero	12	59,024
	13	Write in the amount from line 7 above.	13	18,781
	14	Subtract line 13 from line 12. This is your averageable income. If this line is \$3,000 or less, do not complete the rest of this form	14	40,243

Step 3 Figure your tax

	15	Multiply the amount on line 14 by 25% (.25)	15	10,061
	16	Write in the amount from line 7 above.	16	18,781
	17	Add lines 15 and 16	17	28,842
	18	Write in the amount from line 11 above	18	
	19	Add lines 17 and 18	19	28,842
	20	Tax on amount on line 19 (from Tax Rate Schedule X, Y, or Z)	20	5,303
	21	Tax on amount on line 17 (from Tax Rate Schedule X, Y, or Z)	21	5,303
	22	Tax on amount on line 16 (from Tax Rate Schedule X, Y, or Z)	22	2,673
	23	Subtract line 22 from line 21	23	2,630
	24	Multiply the amount on line 23 by 3. <i>If you have no entry on line 9, skip lines 25 through 27 and go to line 28.</i>	24	7,890
	25	Tax on amount on line 8 (from Tax Rate Schedule X, Y, or Z)	25	
	26	Tax on amount on line 10 (from Tax Rate Schedule X, Y, or Z)	26	
	27	Subtract line 26 from line 25.	27	
	28	Add lines 20, 24, and 27. Write the result here and on Form 1040, line 38 if less than the tax figured using the tax rate schedules or table. Also, check the Schedule G box	28	13,193

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule G (Form 1040) 1984

Alternative Minimum Tax Computation

Department of the Treasury
Internal Revenue Service

▶ Attach to Forms 1040, 1040NR, 1041 or 990-T (Trust).

Name(s) as shown on tax return RICHARD SHOEFER		Identifying number 219-28-1068	
1	Adjusted gross income from Form 1040, line 33 or Form 1040NR, line 32 (see instructions)	1	139769
2	Deductions (see instructions):		
	a (1) Medical and dental expense from Schedule A, line 5	2a(1)	3229
	(2) Multiply Form 1040, line 33 by 5% (.05)	2a(2)	6988
	(3) Subtract line 2a(2) from line 2a(1). (If zero or less, enter zero)	2a(3)	-0-
	b Contributions from Schedule A, line 18	2b	415
	c Casualty and theft losses from Schedule A, line 19	2c	
	d Qualified interest on property used as a residence from Schedule A, line 11	2d	24609
	e (1) Interest, other than line 2d above, from Schedule A, line 14	2e(1)	42220
	(2) Net investment income (If zero or less, enter zero)	2e(2)	-0-
	(3) Enter the smaller of line 2e(1) or line 2e(2)	2e(3)	-0-
	f Gambling losses to the extent of gambling winnings from Schedule A, line 22	2f	
	g Estate tax allowable under section 691(c) from Schedule A	2g	
	h Add lines 2a(3), b, c, d, e(3), f, and g	2h	25024
3	Subtract line 2h from line 1	3	114745
4	Tax preference items:		
	a Dividend exclusion	4a	
	b 60% capital gain deduction	4b	
	c Accelerated depreciation on nonrecovery real property or 15 (or 18)-year real property	4c	
	d Accelerated depreciation on leased personal property or leased recovery property other than 15 (or 18)-year real property	4d	
	e Amortization of certified pollution control facilities	4e	
	f Mining exploration and development costs	4f	
	g Circulation and research and experimental expenditures	4g	
	h Reserves for losses on bad debts of financial institutions	4h	
	i Depletion	4i	
	j Incentive stock options	4j	
	k Intangible drilling costs	4k	
	l Add lines 4a through 4k	4l	
5	Alternative minimum taxable income (add lines 3 and 4(l)) (short period returns, see instructions)	5	114745
6	Enter: \$40,000, if married filing joint return or surviving spouse \$30,000, if single or head of household \$20,000, if married filing separate return or estate or trust	6	30000
7	Subtract line 6 from line 5. If zero or less, do not complete the rest of this form	7	84745
8	Enter 20% of line 7	8	16949
9	Amount from Form 1040, line 50 or Form 1040NR, line 51 (Do not include Form 1040, line 39 or Form 1040NR, line 41.) (estates and trusts, see instructions)	9	13193
10	Subtract line 9 from line 8. If zero or less, enter zero	10	3756
11	Foreign tax credit	11	
12	Alternative minimum tax (subtract line 11 from line 10). Enter on Form 1040, or Form 1040NR, line 52, Form 1041, line 32, or Form 990-T, page 1, line 14	12	3756

Instructions

(Section References are to the Internal Revenue Code)

Paperwork Reduction Act Notice.— We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Who Must File.—File this form if: (a) You are liable for the alternative minimum tax; or (b) you have one or more tax preference items on lines 4c through 4k; or (c) you have an amount on line 2e(3), and line 2e(2) includes income other than interest and dividend income.

Individuals, estates or trusts may be liable if their adjusted gross income plus tax preference items listed on line 4 total more than line 6.

For more information, see Publication 909, Alternative Minimum Tax.

Minimum Tax Deferred From Earlier Year(s).—If a net operating loss carryover from an earlier year(s) reduces taxable income for 1984, and the net operating loss giving rise to the carryover resulted in the deferral of minimum tax in that earlier year(s), all or part of the deferred minimum tax may be includable as tax liability for 1984. Figure the deferred minimum tax at 15% and complete and attach a 1982 Form 4625, Computation of Minimum Tax—Individuals, lines 14 through 18. You may attach a schedule following the format of Form 4625. Enter the amount from line 18 on Form 1040, line 52, or Form 1041, line 32 and write "Form 4625."

Partners, Beneficiaries, etc.—If you are a:

(1) Partner or shareholder of an S corporation, take into account separately your distributive share of items of income and deductions that enter into the computation of tax preference items.

(2) Beneficiary of an estate or trust, see section 58(c).

(3) Participant in a common trust fund, see section 58(e).

(4) Shareholder or holder of beneficial interest in a regulated investment company or a real estate investment trust, see section 58(f).

Carryback and Carryover of Unused Credits.—It may be necessary to figure the carryback or carryover of certain unused credits. See section 55(c)(3).

(Continued on back)

Underpayment of Estimated Tax by Individuals

1984

56

Department of the Treasury
Internal Revenue Service (O)

▶ See instructions on back
▶ Attach to Form 1040

Name(s) as shown on Form 1040

Social security number

RICHARD SHOEFER

219 28 1068

Part I Figuring Your Underpayment

1 1984 tax (from Form 1040, line 56)	1	
2 Enter on this line the total of the following: Lines 52, 54, 59, and 62 of Form 1040, tax on an IRA from Part I or III of Form 5329, uncollected employee social security and RRTA tax on tips from Form W-2, and overpaid windfall profit tax from Form 6249	2	
3 Subtract line 2 from line 1	3	
4 Add the amounts on lines 57 and 61, Form 1040	4	
5 Subtract line 4 from line 3. (If less than \$400, stop here; do not complete the rest of this form.)	5	
6 Multiply the amount on line 3 by .80 (80%) and enter result here	6	

	Payment Due Dates			
	(a) Apr. 15, 1984	(b) June 15, 1984	(c) Sept. 15, 1984	(d) Jan. 15, 1985
7 Divide amount on line 6 by the number of payments required for the year (usually four). Enter the result in appropriate columns	7			
8 Estimated tax paid and tax withheld (see instructions)	8			
9 Overpayment (see instructions)	9			
10 Add lines 8 and 9	10			
11 Underpayment. (Subtract line 10 from line 7.) OR (Overpayment) (Subtract line 7 from line 10.)	11			

Part II Exceptions to the Penalty

		(a) Apr. 15, 1984	(b) June 15, 1984	(c) Sept. 15, 1984	(d) Jan. 15, 1985
12 Total amount paid and withheld from January 1 through payment due date shown. (Do not include withholding after Dec. 31, 1984.)	12	1,160	2,320	3,480	4,640
13 Exception 1.—(See instructions.) Enter 1983 tax	13	1,155	2,310	3,464	4,619
14 Exception 2.—Tax on 1983 income using 1984 rates and exemptions. (See instructions and attach computation.)	14				
15 Exception 3.—Tax on annualized 1984 income. (See instructions and attach computation.)	15				Exceptions Do Not Apply
16 Exception 4.—Tax on 1984 income over 3-, 5-, and 8-month periods. (See worksheet on back.)	16				

Part III Figuring the Penalty (Complete for any underpayment to which no exception applies.)

17 a Number of days after payment due date, through the date of payment or December 31, 1984, whichever is earlier. If December 31 is earlier, enter 260, 199 and 107 respectively	17a				
b Number of days after payment due date through date of payment or April 15, 1985, whichever is earlier. If April 15 is earlier, enter 90.	17b				
c Number of days after December 31, 1984, through date of payment or April 15, 1985, whichever is earlier. If April 15 is earlier, enter 105 in each column.	17c				
18 a $\frac{\text{Number of days on line 17a}}{366} \times 11\% \times \text{underpayment on line 11}$	18a				
b $\frac{\text{Number of days on line 17b}}{365} \times 13\% \times \text{underpayment on line 11}$	18b				
c $\frac{\text{Number of days on line 17c}}{365} \times 13\% \times \text{underpayment on line 11}$	18c				
19 Penalty (add amounts on lines 18a, b, and c). Check the box below line 68 on Form 1040 and show this amount in the space provided. If you owe tax, add penalty to tax and show total on line 68. If you are due a refund, subtract penalty from overpayment on line 65	19				-0-

4952

Department of the Treasury
Internal Revenue Service

Investment Interest Expense Deduction

▶ See Instructions on back.
▶ Attach to Form 1040 (or Form 1041).

OMB No. 1545-0191

1984
72

Name(s) as shown on return: RICHARD SHOEFER
Identifying number: 219-28-1068
Type of return: Individual Estate Trust

Part I Interest on Investment Debts Incurred Before December 17, 1969
Note: Use Part I only if you have investment interest expense on debts incurred before December 17, 1969, and on debts incurred on or after that date.

Table with 4 rows: Interest expense on investment debts incurred before December 17, 1969; Total net investment income; Net investment income allocable to the period before December 17, 1969; Subtract line 3 from line 2—Enter here and on line 10(a).

Part II Interest on Investment Debts Incurred After September 10, 1975

Table with 14 rows: Interest expense on investment debts incurred after September 10, 1975; Carryover; Total investment interest expense; (a) Individuals enter \$10,000; (b) Additional limitation; Estates enter \$10,000; (a) Total net investment income; (b) Excess expenses from "net lease property"; Limitation on deduction; Allowable investment interest deduction; Disallowed investment interest to be carried over to 1985.

Part III Interest on Investment Debts Incurred Before September 11, 1975, and After December 16, 1969

Table with 15 rows: Interest expense on investment debts incurred before September 11, 1975, and after December 16, 1969; Individuals enter \$25,000; Estates enter \$25,000; Net investment income; Excess expenses from "net lease property"; Net long-term capital gain minus net short-term capital loss; Tentative limitation; Subtract line 21 from line 15; Additional deduction; Limitation on deduction; Allowable investment interest deduction; Disallowed investment interest to be carried over to 1985.

Part IV Investment Interest Expense Carryover From Earlier Years—Incurred Before September 11, 1975

Table with 10 rows: Carryover; Enter amount reportable on line 18 plus \$25,000; Enter the larger of line 15 or \$25,000; Subtract line 29 from line 28; Enter 50% of line 30; Allowable investment interest deduction; Interest carryover from earlier years disallowed in 1984; Enter the 60% capital gain deduction; Interest carryover to 1985.

HARVEY M. NEWMAN, CPA
GERALD L. GRABUSH, CPA
BARRY B. BONDROFF, CPA
PHILIP I. MATZ, CPA
NORMAN N. POLONSKY, CPA

Grabush, Newman & Co., P.A.
Certified Public Accountants

April 9, 1985

Office of the Comptroller
Income Tax Division
State Income Tax Building
Annapolis, Maryland 21401

Re: Richard Shofer 219-28-1068

Gentlemen:

An extension of time until August 15, 1985 is hereby requested in order to file Form 502 for the year 1984 for the above mentioned taxpayer.

Federal Form 4868 is attached.

Sincerely,

GRABUSH, NEWMAN & CO., P.A.

INTERNAL REVENUE SERVICE
BALTIMORE, MD

Receipt (When Property Valued)

Receipt For Payment of

412
13500.00 IT
13500.00 TO
13500.00 CH
3:35 PM
APR 15 1984
5201

18
Treasury
Service (O)

Application for Automatic Extension of Time to File U.S. Individual Income Tax Return

OMB No. 1545-0188

1984

or first name and initial (if joint return, also give spouse's name and initial) **Richard Shafer** Last name
Your social security number **219 28 1068**
Spouse's social security no. _____

sent home address (Number and street, including apartment number, or rural route)
5006 Liberty Heights Ave
town or post office, State, and ZIP code
Baltimore MARYLAND

form with the Internal Revenue Service Center where you must file your income tax return and pay the amount shown on flow. This is not an extension of time for payment of tax. You will be charged a penalty for late payment of tax and late less you show reasonable cause for not paying or filing on time (see instructions).

file a gift tax return (Form 709 or Form 709-A) for 1984, generally due by April 15, 1985, check this box
automatic 4-month extension of time to August 15, 1985, to file Form 1040A or Form 1040 for the calendar year 1984 (or if a 1040 to _____ 19 _____, for the tax year ending _____ 19 _____).

1	Total income tax liability for 1984. (You may estimate this amount.) Note: You must enter an amount on line 1. If you do not expect to owe tax, enter zero (0).	1	1840 1840
2	Federal income tax withheld		
3	1984 estimated tax payments (include 1983 overpayment allowed as a credit)		
4	Other payments and credits you expect to show on Form 1040A or Form 1040		
5	Add lines 2, 3, and 4	5	4640
6	Income tax balance due (subtract line 5 from line 1). Pay in full with this form. (If line 5 is more than line 1, enter zero (0).)	6	13500 13500
7	Total gift tax you expect to owe for 1984 (see instructions)	7	

APR 15 1984
REG'D WITH RUMBLE
RMD CASHIERS
DIST. UNIT

If you send only one check for both income and gift tax due, attach a statement showing how much of the check applies to each type of tax.

Signature and Verification

If Prepared by Taxpayer.—Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Your signature _____ Date _____
Spouse's signature (if filing jointly, BOTH must sign even if only one had income) _____ Date _____

If Prepared by Someone Other Than Taxpayer.—Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

Signature of preparer other than taxpayer _____, CPA Date **4/9/85**

RICHARD SHOFER
5006 LIBERTY HEIGHTS AVENUE
BALTIMORE, MD 21207

4/15/ 1985 1853

7-16/83

Pay to the order of Internal Revenue Service \$ 13,500
Thirteen Thousand Five Hundred Dollars

maryland national bank
WOODMOOR OFFICE 402
BALTIMORE, MARYLAND 21207

Memo 219-28-1068 Richard Shofer

⑆0520001681⑆1853⑆000 8538407⑆

SCHEDULES

All taxpayers must complete Schedule A. Taxpayers who itemize deductions must also complete Schedule B. Taxpayers with modifications to Federal adjusted gross income must complete Schedule C and/or D as applicable. See instructions, Page 19.

COLUMNS

All taxpayers must complete Column C with the items appearing on their Federal returns. Married individuals who filed a joint Federal return, but who choose to file combined separate Maryland returns, must complete Columns A and B, reconciling their separate income, deductions and modifications with the amounts reported jointly for Federal purposes.

SCHEDULE A — INCOME AND ADJUSTMENTS FROM FEDERAL RETURN

- 26. Wages, Salaries, Tips, etc. 26
- 27. Interest 27
- 28. Dividends 28
- 29. Business Income or (Loss) 29
- 30. Capital Gain or (Loss) 30
- 31. Pensions & Annuities, Rents & Royalties, Partnerships, Estates or Trusts, etc. 31
(circle appropriate items)
- 32. Farm Income or (Loss) 32
- 33. Miscellaneous Sources of Income (See Instructions, Page 18). 33
- 34. Total Income (Add Lines 26 Through 33) 34
- 35. Adjustments To Income (Total Adjustments to Income from Federal Return) 35
- 36. Adjusted Gross Income (Subtract Line 35 from Line 34) (Enter on Line 1) 36

COLUMN A	COLUMN B	COLUMN C
		141,000
		1,970
		(3,000)
		(200)
		139,769
		139,769

SCHEDULE B — ITEMIZED DEDUCTIONS AND MARYLAND ADJUSTMENTS

(If from Maryland Form 502A, Complete only Lines 45 through 49)

If columns A and B are used and it is not possible to distinguish deductions between spouses, allocate in accordance with income.

- 37. Medical and Dental Expense 37
- 38. Taxes 38
- 39. Interest 39
- 40. Contributions 40
- 41. Casualty or Theft Losses 41
- 42. Miscellaneous Itemized Deductions 42
- 43. Total Itemized Deductions (Add Lines 37 Through 42) 43
- 44. State and Local Income Taxes Included on Line 38 44
- 45. Net Deductions (Subtract Line 44 from Line 43) 45
- 46. State Deduction: Artist's Contribution (Attach Schedule 502 AC) 46
- 47. Total (Add Lines 45 and 46) 47
- 48. Less Deductions During Period of Nonresident Status 48
- 49. Total Maryland Deductions (Subtract Line 48 from Line 47) (Enter on Line 8) 49

		3,239
		9,350
		64,829
		415
		222
		80,045
		1,792
		78,253
		78,253

MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME

SCHEDULE C — ADDITIONS

- 50. Federal Deduction for Two-Earner Married Couples 50
- 51. Interest on State and Local Obligations Other Than Maryland 51
- 52. Dividend Exclusion (From Federal Return) 52
- 53. Taxable Tax Preference Items (Attach Form 502 TP) 53
- 54. Other (Specify) (See Instructions, Page 19) 54
- 55. Total (Add Lines 50 Through 54) (Enter on Line 2) 55

SCHEDULE D — SUBTRACTIONS

- 56. Interest on U.S. Obligations 56
- 57. Pension Exclusion (Complete Computation Below) 57
- 58. Child and Dependent Care Expenses (See Instructions, Page 19) 58
- 59. Use of Vehicle for Charitable Purposes (Attach Form 502 V) 59
- 60. Income Received During Period of Nonresident Status 60
- 61. Other (Specify) (See Instructions, Page 19) 61
- 62. Total (Add Lines 56 Through 61) (Enter on Line 4) 62

PENSION EXCLUSION COMPUTATION (For use only if 65 or over, or totally disabled — See Instructions, Page 19)

- 63. Net Taxable Pension and Retirement Annuity
- Included as Income in Federal Return
- 64. Maximum Allowable Exclusion
- 65. Benefits Received Under the Social Security Act
- and/or the Railroad Retirement Act
- 66. Tentative Exclusion (Subtract Line 65 from Line 64)
- 67. Modification (Subtraction) to Federal Adjusted Gross Income
- (Line 63 or Line 66 Whichever is Less) Write the Amount on Line 57

	COLUMN A	COLUMN B
	\$	\$
64. Maximum Allowable Exclusion	\$ 8500 00	\$ 8500 00
65. Benefits Received Under the Social Security Act and/or the Railroad Retirement Act	\$	\$
66. Tentative Exclusion (Subtract Line 65 from Line 64)	\$	\$
67. Modification (Subtraction) to Federal Adjusted Gross Income (Line 63 or Line 66 Whichever is Less) Write the Amount on Line 57	\$	\$

MARYLAND TAX RETURN

1984

Of Fiscal Year Beginning 1984, Ending 1984 (For Privacy Notice See Page 15 of Instructions)

First Name(s) and Initial(s) (if joint return, use first names and middle initials of both) Last Name(s)
RICHARD SHAEFER

DO NOT WRITE IN THIS SPACE SERIAL No. B

PRESENT Address (Number and Street or Rural Route) Your Social Security Number
216 ST. DUNSTONS RD. 219 28 1068

Post Office State Zip Code Your Occupation
BALTIMORE MD 21212 CORP. EXECUTIVE

Name of COUNTY in which you were a resident on the last day of the taxable period. (See page 16 of Instructions) Maryland County
BALTIMORE

Name of INCORPORATED city, town or special taxing district in which you were a resident on the last day of the taxable period, enter its name, also. City, Town, or Taxing Area
BALTIMORE

YOUR FILING STATUS: Single, Married filing joint return, Married filing combined separate returns, Married filing separately, Qualifying widow(er) with dependent child.
Did you establish or abandon legal domicile or residence in Maryland in 1984? No
RESIDENT? If Yes, give dates of Maryland Residency and see Instructions, p. 13. FROM 5/10/84 TO 5/10/84

EXEMPTIONS: REGULAR 65 OR OVER, BLIND, DEPENDENT CHILDREN (ANDY, DAVID), ENTER NUMBER 2

OTHER EXEMPTIONS ALLOWED BY MARYLAND: NAME, RELATIONSHIP, REGULAR 65 OR OVER, ENTER NUMBER CHECKED, TOTAL EXEMPTIONS (ADD A, B, and C) 3

Table with 2 columns: Description of income/expense and Amount. Line 1: Federal Adjusted Gross Income 139,769. Line 2: Additions 139,769. Line 3: Subtractions. Line 4: Total Maryland Adjusted Gross Income 139,769.

TAXABLE: Pages 21-24 of Instructions. Check here and Enter Total Deductions (Use Column B) 78,253

Table with 2 columns: Description of tax and Amount. Line 9: Taxable Income 61,516. Line 10: Number of Exemptions X \$800 2,400. Line 11: Taxable Net Income 59,116. Line 12: Maryland Tax From Table 2,894. Line 13: Local Income Tax From Rate Schedule 1,448. Line 14: Total Maryland and Local Income Tax 4,344.

Table with 2 columns: Description of tax payment/credit and Amount. Line 15: Maryland Tax Withheld 450. Line 16: 1984 Estimated Tax Payments and Payment Made with an Extension Request. Line 17: Federal Income Tax Paid another State. Line 18: Credits: Personal Property Tax, Enterprise Zone Credit. Line 19: Total Payments and Credits 450. Line 20: Balance Due (if Line 14 Exceeds Line 19) 3,894. Line 21: Overpayment (if Line 14 is Less Than Line 19).

Amount of Line 21 for Line 23 TO BE REFUNDED TO YOU. Refund. Refund. Signature of Preparer Other Than Taxpayer: CRABUS NEWBORN, BALTIMORE, MARYLAND 21210

Your Signature and Date Spouse's Signature and Date. Signature of Preparer Other Than Taxpayer: CRABUS NEWBORN, BALTIMORE, MARYLAND 21210. 52-1134882-1000 323-9800

COPY

AMMENDED INCOME TAX RETURN

RICHARD SHOFER

1984

PENGAD-Beynon, N. J.
**JOINT
EXHIBIT**
11
evit

PENGAD-Beynon, N. J.
**PLAINTIFF'S
EXHIBIT**
NO. 11 *evit*

PENGAD-Beynon, N. J.
**DEPOSITION
EXHIBIT**
Shofer 1-F

Amended U.S. Individual Income Tax Return

This return is for calendar year **1984**, OR fiscal year ended **19**

Please print or type	Your first name and initial (if joint return, also give spouse's name and initial) RICHARD	Last name SHOFER	Your social security number 219-28-1068
	Present home address (number and street or rural route). (If you have a P.O. Box, see instructions.) 216 ST. DUNSTONS RD		Spouse's social security number
	City, town or post office, state, and ZIP code BALTIMORE MD 21212		Telephone number (optional)

Enter below name and address as shown on original return (if same as above, write "Same"). If changing from separate to joint return, enter names and addresses used on original returns. (Note: You cannot change from joint to separate returns after the due date has passed.)

SAME

a Service center where original return was filed PHILADELPHIA	b Has original return been changed or audited by IRS? If "No," have you been notified that it will be? If "Yes," identify IRS office	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
c Are you amending your return to include any item (loss, credit, deduction, other tax benefit, or income) relating to a tax shelter required to be registered? If "Yes," you MUST attach Form 8271, Investor Reporting of Tax Shelter Registration Number.		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
d Filing status claimed. (Note: You cannot change from joint to separate returns after the due date has passed.)		
On original return	Single <input type="checkbox"/> Married filing joint return <input type="checkbox"/> Married filing separate return <input checked="" type="checkbox"/> Head of household <input type="checkbox"/> Qualifying widow(er) <input type="checkbox"/>	
On this return	Single <input type="checkbox"/> Married filing joint return <input type="checkbox"/> Married filing separate return <input checked="" type="checkbox"/> Head of household <input type="checkbox"/> Qualifying widow(er) <input type="checkbox"/>	

Income and Deductions		A. As originally reported or as adjusted (see instructions)	B. Net change—Increase or (Decrease)—explain on page 2	C. Correct amount
1	Total income (see Instructions)	139769	73400	213169
2	Adjustments to income (see Instructions)			
3	Adjusted gross income (subtract line 2 from line 1)	139769	73400	213169
4	Deductions (see Instructions)	77745	(32297)	74516
5	Subtract line 4 from line 3	62024	76629	138653
6	Exemptions (see Instructions)	3000		3000
7	Taxable income (subtract line 6 from line 5)	59024	76629	135653
8	Tax (see Instructions). (Method used in col. C, Schedule G...)	13193	27116	40309
9	Credits (see Instructions)			
10	Subtract line 9 from line 8. Enter the result, but not less than zero	13193	27116	40309
11	Other taxes (such as self-employment tax, alternative minimum tax)	3756	(3756)	
12	Total tax liability (add line 10 and line 11)	16949	23360	40309
13	Federal income tax withheld and excess FICA and RRTA tax withheld	4640		4640
14	Estimated tax payments			
15	Earned income credit			
16	Credits for Federal tax on gasoline and special fuels, regulated investment company, etc.			
17	Amount paid with Form 4868, Form 2688, or Form 2350 (application for extension of time to file)			13500
18	Amount paid with original return, plus additional tax paid after it was filed			
19	Total of lines 13 through 18, column C			18440

Refund or Amount You Owe		
20	Overpayment, if any, as shown on original return (or as previously adjusted by IRS)	1191
21	Subtract line 20 from line 19 (see Instructions)	16949
22	AMOUNT YOU OWE. If line 19, column C, is more than line 21, enter difference. Please pay in full with this return.	23360
23	REFUND to be received. If line 19, column C, is less than line 21, enter difference.	

Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

COPY

Please Sign Here	Your signature	Date	Spouse's signature (if filing jointly, BOTH must sign)
	Preparer's signature	Date	Preparer's social security no.
Paid Preparer's Use Only	Firm's name (or yours, if self-employed) and address	E.I. No.	ZIP code

Part I Exemptions (see Form 1040 or Form 1040A Instructions)
 If claiming more exemptions, complete lines 1—9.
 If claiming fewer exemptions, complete lines 1—6.

	A. Number originally reported	B. Net change	C. Correct number
1 Exemptions—yourself and spouse, 65 or over, blind	1	1	1
2 Your dependent children who lived with you	2	2	2
3 For tax years beginning after 1984, your dependent children who did not live with you	3		
4 Other dependents	4		
5 Total exemptions (add lines 1 through 4)	5	3	3
6 Multiply \$1,080 (\$1,040, for tax year 1985; \$1,000, for tax years beginning before 1985) by the number of exemptions claimed on line 5. Enter the result here and on page 1, line 6	6	3000	3000

7 First names of your dependent children who lived with you and were not claimed on original return: Enter number NA

8 For tax years beginning after 1984, first names of your dependent children who did not live with you and were not claimed on original return (see Instructions). (If pre-1985 agreement, check here) Enter number NA

9 Other dependents not claimed on original return:

(a) Name	(b) Relationship	(c) Number of months lived in your home	(d) Did dependent have income of at least \$1,080 (\$1,040, for tax year 1985; \$1,000, for tax years beginning before 1985)?	(e) Did you provide more than one-half of dependent's support?	Enter number <input type="checkbox"/>
					NA

Part II Explanation of Changes to Income, Deductions, and Credits
 Enter the line number from page 1 for each item you are changing and give the reason for each change. Attach all supporting forms and schedules for items changed. Be sure to include your name and social security number on any attachments.

If the change pertains to a net operating loss carryback, a general business credit carryback, or for tax years beginning before 1986, a research credit carryback, attach the schedule or form that shows the year in which the loss or credit occurred. See the instructions. Also, check here

Line #1 change \$73,400 - INCOME DUE TO LOSS FROM PENSION PLAN RE-CHARACTERIZED AS A DISTRIBUTION, AND THEREFORE TAXABLE.

Line #4 change \$3229 - MEDICAL EXPENSE IN EXCESS OF 5% OF AGI HAS ACCORDINGLY DECREASED AS FOLLOWS:

	ORIGINAL	AMENDED	DIFFERENCE
MEDICAL EXP.	10217	10217	
5% OF AGI	6988	10658	
ITEMIZED DEDUCTION	3229	-	3229

LINE #11 ALTERNATIVE MINIMUM TAX NOT APPLICABLE, LESS THAN CORRECTED TAX

Part III Presidential Election Campaign Fund
 Checking below will not increase your tax or reduce your refund.

If you did not previously want to have \$1 go to the fund, but now want to Check here

If joint return and if spouse did not previously want to have \$1 go to the fund, but now wants to Check here

▶ See instructions on back. ▶ Attach to Form 1040.

Name(s) as shown on Form 1040

RICHARD SHOFER

Your social security number

219:28:1068

Step 1 Add your income from 1981—1983

1981	1	Fill in the amount from your 1981 Form 1040 (line 34) or Form 1040A (line 12). If less than zero, enter zero	1	4811
1982	2	Fill in the amount from your 1982 Form 1040 (line 37), Form 1040A (line 16), or Form 1040EZ (line 7). If less than zero, enter zero	2	10967
1983	3	Fill in the amount from your 1983 Form 1040 (line 37), Form 1040A (line 19), or Form 1040EZ (line 7). If less than zero, enter zero	3	24467
Total	4	Fill in all income less deductions earned outside of the U.S. or within U.S. possessions and excluded for 1981 through 1983 (include housing exclusion in 1982 and 1983)	4	
	5	Add lines 1 through 4	5	40245

Step 2 Figure your averageable income

6	Divide the amount on line 5 by three (3)	6	13415
7	Multiply the amount on line 6 by 140% (1.4)	7	- 18781
8	Fill in your taxable income for 1984 from Form 1040, line 37.	8	135653
9	If you received a premature or excessive distribution subject to a penalty under section 72, see instructions	9	-
10	Subtract line 9 from line 8.	10	135653
11	If you live in a community property state and are filing a separate return, see instructions	11	-
12	Subtract line 11 from line 10. If less than zero, enter zero	12	135653
13	Write in the amount from line 7 above.	13	18781
14	Subtract line 13 from line 12. This is your averageable income. If this line is \$3,000 or less, do not complete the rest of this form	14	116872

Step 3 Figure your tax

15	Multiply the amount on line 14 by 25% (.25)	15	29218
16	Write in the amount from line 7 above.	16	18781
17	Add lines 15 and 16	17	47999
18	Write in the amount from line 11 above	18	-
19	Add lines 17 and 18	19	47999
20	Tax on amount on line 19 (from Tax Rate Schedule X, Y, or Z)	20	12082
21	Tax on amount on line 17 (from Tax Rate Schedule X, Y, or Z)	21	12082
22	Tax on amount on line 16 (from Tax Rate Schedule X, Y, or Z)	22	2673
23	Subtract line 22 from line 21	23	9409
24	Multiply the amount on line 23 by 3	24	28227
<i>If you have no entry on line 9, skip lines 25 through 27 and go to line 28.</i>			
25	Tax on amount on line 8 (from Tax Rate Schedule X, Y, or Z)	25	
26	Tax on amount on line 10 (from Tax Rate Schedule X, Y, or Z)	26	
27	Subtract line 26 from line 25.	27	-
28	Add lines 20, 24, and 27. Write the result here and on Form 1040, line 38 if less than the tax figured using the tax rate schedules or table. Also, check the Schedule G box	28	40309

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule G (Form 1040) 1984

Alternative Minimum Tax Computation

▶ Attach to Forms 1040, 1040NR, 1041 or 990-T (Trust).

Name(s) as shown on tax return RICHARD SHOFER		Identifying number 219-28-1068	
1	Adjusted gross income from Form 1040, line 33 or Form 1040NR, line 32 (see instructions)	1	213169
2	Deductions (see instructions):		
	a (1) Medical and dental expense from Schedule A, line 5	2a(1)	
	(2) Multiply Form 1040, line 33 by 5% (.05)	2a(2)	
	(3) Subtract line 2a(2) from line 2a(1). (If zero or less, enter zero)	2a(3)	
	b Contributions from Schedule A, line 18	2b	415
	c Casualty and theft losses from Schedule A, line 19	2c	
	d Qualified interest on property used as a residence from Schedule A, line 11	2d	24609
	e (1) Interest, other than line 2d above, from Schedule A, line 14	2e(1)	42220
	(2) Net investment income (if zero or less, enter zero)	2e(2)	
	(3) Enter the smaller of line 2e(1) or line 2e(2)	2e(3)	
	f Gambling losses to the extent of gambling winnings from Schedule A, line 22	2f	
	g Estate tax allowable under section 691(c) from Schedule A	2g	
	h Add lines 2a(3), b, c, d, e(3), f, and g.	2h	25024
3	Subtract line 2h from line 1	3	188145
4	Tax preference items:		
	a Dividend exclusion	4a	
	b 60% capital gain deduction	4b	
	c Accelerated depreciation on nonrecovery real property or 15 (or 18)-year real property	4c	
	d Accelerated depreciation on leased personal property or leased recovery property other than 15 (or 18)-year real property	4d	
	e Amortization of certified pollution control facilities	4e	
	f Mining exploration and development costs	4f	
	g Circulation and research and experimental expenditures	4g	
	h Reserves for losses on bad debts of financial institutions	4h	
	i Depletion	4i	
	j Incentive stock options	4j	
	k Intangible drilling costs	4k	
	l Add lines 4a through 4k	4l	
5	Alternative minimum taxable income (add lines 3 and 4(l)) (short period returns, see instructions)	5	188145
6	Enter: \$40,000, if married filing joint return or surviving spouse \$30,000, if single or head of household \$20,000, if married filing separate return or estate or trust	6	30000
7	Subtract line 6 from line 5. If zero or less, do not complete the rest of this form	7	158145
8	Enter 20% of line 7	8	31629
9	Amount from Form 1040, line 50 or Form 1040NR, line 51 (Do not include Form 1040, line 39 or Form 1040NR, line 41.) (estates and trusts, see instructions)	9	40309
10	Subtract line 9 from line 8. If zero or less, enter zero	10	
11	Foreign tax credit	11	
12	Alternative minimum tax (subtract line 11 from line 10). Enter on Form 1040, or Form 1040NR, line 52, Form 1041, line 32, or Form 990-T, page 1, line 14	12	

Instructions

(Section References are to the Internal Revenue Code)

Paperwork Reduction Act Notice.— We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Who Must File.— File this form if: (a) You are liable for the alternative minimum tax; or (b) you have one or more tax preference items on lines 4c through 4k; or (c) you have an amount on line 2e(3), and line 2e(2) includes income other than interest and dividend income.

Individuals, estates or trusts may be liable if their adjusted gross income plus tax preference items listed on line 4 total more than line 6.

For more information, see Publication 909, Alternative Minimum Tax.

Minimum Tax Deferred From Earlier Year(s).— If a net operating loss carryover from an earlier year(s) reduces taxable income for 1984, and the net operating loss giving rise to the carryover resulted in the deferral of minimum tax in that earlier year(s), all or part of the deferred minimum tax may be includible as tax liability for 1984. Figure the deferred minimum tax at 15% and complete and attach a 1982 Form 4625, Computation of Minimum Tax—Individuals, lines 14 through 18. You may attach a schedule following the format of Form 4625. Enter the amount from line 18 on Form 1040, line 52, or Form 1041, line 32 and write "Form 4625."

Partners, Beneficiaries, etc.— If you are a:

(1) Partner or shareholder of an S corporation, take into account separately your distributive share of items of income and deductions that enter into the computation of tax preference items.

(2) Beneficiary of an estate or trust, see section 58(c).

(3) Participant in a common trust fund, see section 58(e).

(4) Shareholder or holder of beneficial interest in a regulated investment company or a real estate investment trust, see section 58(f).

Carryback and Carryover of Unused Credits.— It may be necessary to figure the carryback or carryover of certain unused credits. See section 55(c)(3).

(Continued on back)

502X

AMENDED MARYLAND INCOME TAX RETURN

This return is for calendar year 1984

RESIDENT Or Fiscal Year Beginning 19...., Ending 19....

First Name and Initial (If joint return, use first names and middle initials of both) RICHARD		Last Name SHOFER		IMPORTANT — To expedite processing: If you received a refund on your original return, indicate in the box below the account number printed on the refund check, if known. If a balance was paid with the original return, indicate the account number stamped in the upper right corner of the face of your cancelled receipt.	
PRESENT Address (Number and Street or Rural Route) 216 ST. DUNSTONS RD			Your Social Security Number 219 1281068		
Post Office BALTIMORE	County —	State MD	Zip Code 21212	Spouse's Social Security Number —	
County BALTIMORE		City, Town, or Taxing Area BALTIMORE CITY		ACCOUNT NUMBER	
				For information Phone Annapolis 269-3116	

THIS FORM CONSTITUTES A NEW TAX RETURN. ENTER YOUR CORRECT TOTAL AMOUNTS (INCOME, DEDUCTIONS, WITHHOLDING CREDIT, ETC) ON THIS FORM.

A. YOUR FILING STATUS — check only one:

1. Single

2. Married filing joint return or spouse had no income

3. Married filing combined separate returns on this form

4. Married filing separately

Spouse's Name _____ Spouse's Social Security Number _____

5. Qualifying widow(er) with dependent child

B. Is an amended Federal return being filed? Yes No

C. Has your original Federal return been changed or corrected by the Internal Revenue Service? Yes No

D. Has the Maryland Income Tax Division advised you that your original return is being audited or corrected? Yes No

EXEMPTIONS

REGULAR 65 OR OVER BLIND

YOURSELF ENTER NUMBER CHECKED **1 (A)**

SPOUSE _____

FIRST NAMES OF DEPENDENT CHILDREN
ANDY, DAVID

ENTER NUMBER **2 (B)**

OTHER EXEMPTIONS ALLOWED BY MARYLAND

NAME _____ RELATIONSHIP _____

REGULAR 65 OR OVER

ENTER NUMBER CHECKED _____

TOTAL EXEMPTIONS (Add A, B and C) **3**

In combined separate returns, number of exemptions claimed in Column A Column B

	COLUMN A	COLUMN B
1. Federal Adjusted Gross Income (From Line 36 Schedule A Page 2)		213169
2. Additions (From Line 55 Schedule C Page 2)		
3. Total (Add Lines 1 and 2)		213169
4. Subtractions (From Line 62 Schedule D Page 2)		
5. Total Maryland Adjusted Gross Income (Subtract Line 4 from Line 3)		213169
6. TAX TABLE — Pages 21-24 of Instructions. Check here, Skip Lines 7-11, Enter Tax on Line 12 <input type="checkbox"/>		
or 7. If you Use the Standard Deduction, Check here and Enter 13% of Line 5 not to exceed: ... \$1500 per Taxpayer for FILING STATUS 1, 3, 4, and 5 or \$3000 for FILING STATUS 2 <input type="checkbox"/>		75024
or 8. If you Itemize Deductions, Check here and Enter Total Deductions (Line 49, Schedule B Page 2) <input checked="" type="checkbox"/>		138145
9. Net Income (Subtract Line 7 or Line 8 from Line 5)		2400
10. Number of Exemptions X \$800 (Prorate according to number of months covered by the return)		135745
11. Taxable Net Income (Subtract Line 10 from Line 9. Do not use tables. Use Rate Schedule R)		6727
12. Maryland Tax (From Table, or as computed by Tax Rate Schedule R when Lines 7 through 11 are used)		3364
13. Local Income Tax (See original return for percentage) Enter <u>50</u> % of Line 12		10091
14. Total Maryland and Local Income Tax. (Add Lines 12 and 13)		456
15. Total Maryland Tax Withheld		
16. 19__ Estimated Tax Payments and Payment Made with an Extension Request		
17. Credit for Income Tax Paid another State (From Form 502 CR)		
18. Credit for Maryland (State Only) Personal Property Tax Paid (From Form 502 CR)		
19. Total Payments and Credits (Add Lines 15 through 18)		450
20. Balance Due (If Line 14 Exceeds Line 19)		9641
21. Overpayment (If Line 14 is Less Than Line 19)		
22. Combined Balance Due		9641
23. Combined Overpayment		
24. Balance Due or Paid on Original Return		3894
25. Refund per Original Return		
Net <input type="checkbox"/> Refund or <input checked="" type="checkbox"/> Balance Due		5747

Under penalties of perjury, I declare that I have prepared this return including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, this declaration is based on all information of which the preparer has any knowledge.

Make checks payable to _____ and mail to:

COMPTROLLER OF THE TREASURY
INCOME TAX DIVISION
ANNAPOLIS, MARYLAND 21401

Your Signature and Date _____ Spouse's Signature and Date (If filing jointly or combined separate, BOTH must sign) _____

BALTIMORE, MARYLAND 21210

Signature of Preparer Other Than Taxpayer _____ Address _____ Date _____

CLIENT'S COPY

SCHEDULE A — INCOME AND ADJUSTMENTS FROM FEDERAL RETURN

	COLUMN A	COLUMN B	COLUMN C
26. Wages, Salaries, Tips, etc.			141000
27. Interest			1970
28. Dividends			
29. Business Income or (Loss)			
30. Capital Gain or (Loss)			{ 3000 }
31. Pensions & Annuities <u>Rents & Royalties</u> Partnerships, Estates or Trusts, etc. 31 (circle appropriate items)			{ 201 }
32. Farm Income or (Loss)			
* 33. Miscellaneous Sources			73400
34. Total Income (Add Lines 26 Through 33)			213169
35. Adjustments To Income (Total Adjustments to Income from Federal Return)			
36. Adjusted Gross Income (Subtract Line 35 from Line 34) (Enter on Page 1, Line 1)			213169

SCHEDULE B — ITEMIZED DEDUCTIONS AND MARYLAND ADJUSTMENTS

(If from Maryland Form 502A, Complete only Lines 45 through 49)

If columns A and B are used and it is not possible to distinguish deductions between spouses, allocate in accordance with income.

37. Medical and Dental Expense			—
38. Taxes			9350
* 39. Interest			66829
40. Contributions			415
41. Casualty or Theft Losses			—
42. Miscellaneous			222
43. Total Itemized Deductions (Add Lines 37 Through 42)			76816
44. Enter State and Local Income Taxes Included on Line 38			1792
45. Net Deductions (Subtract Line 44 from Line 43)			75024
* 46. State Deduction: Artist's Contribution (Attach Schedule 502 AC)			
47. Total (Add Lines 45 and 46)			75024
48. Less Deductions During Period of Nonresident Status			
49. Total Maryland Deductions (Subtract Line 48 from Line 47) (Enter on Page 1, Line 8)			75024

MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME

SCHEDULE C — ADDITIONS

50. Federal Deduction for Two-Earner Married Couples			
51. Interest on State and Local Obligations Other Than Maryland			
52. Dividend Exclusion (From Federal Return)			
53. Taxable Tax Preference Items (Attach Form 502 TP)			
54. Other (Specify) (See Instructions)			
55. Total (Add Lines 50 Through 54) (Enter on Page 1, Line 2)			

SCHEDULE D — SUBTRACTIONS

56. Interest on U.S. Obligations			
57. Pension Exclusion (Complete Computation Below)			
58. Child and Dependent Care Expenses (See Instructions, Page 19)			
59. Use of Vehicle for Charitable Purposes (Attach Form 502 V)			
60. Income Received During Period of Nonresident Status			
61. Other (Specify) (See Instructions, Page 19)			
62. Total (Add Lines 56 Through 61) (Enter on Page 1, Line 4)			

PENSION EXCLUSION COMPUTATION (For use only if 65 or over, or totally disabled — See Instructions, Page 19)

	COLUMN A	COLUMN B
63. Net Taxable Pension and Retirement Annuity Included as Income in Federal Return	\$	\$
64. Maximum Allowable Exclusion from original return	\$	\$
65. Benefits Received Under the Social Security Act and/or the Railroad Retirement Act	\$	\$
66. Tentative Exclusion (Subtract Line 65 from Line 64)	\$	\$
67. Modification (Subtraction) to Federal Adjusted Gross Income (Line 63 or Line 66 Whichever is Less) Show Amount on Schedule D Line 57 Above	\$	\$

EXPLANATION OF CHANGES to Income, Deductions, and Credits. Show computations in detail. Attach another sheet, if needed.

* ADDITIONAL INCOME \$ 73,400 . DUE TO LOAN FROM PENSION PLAN, BEING RECHARACTERIZED AS A TAXABLE DISTRIBUTION .

INCOME TAX RETURNS

RICHARD SHOFER

1985

PENGAD-Bayonne, N. J.
11-54
**JOINT
EXHIBIT**
12
evid

PENGAD-Bayonne, N. J.
**PLAINTIFF'S
EXHIBIT**
NO. 12 *evid*

PENGAD-Bayonne, N. J.
**DEPOSITION
EXHIBIT**
Shofer 7-6

Control number		OMB No. 1545-0048	
2 Employer's name, address, and ZIP code Catalina Enterprises, Inc. t/a Crown Motors 5006 Liberty Heights Avenue Baltimore, Maryland 21207		3 Employer's identification number 02-0620445	4 Employer's State number 187544-6
8 Employee's social security number 219-28-1068		9 Federal income tax withheld 17,000.00	10 Wages, tips, other compensation 200,000.00
12 Employee's name, address, and ZIP code Richard Shofer 216 St. Dunstons Road Baltimore, Maryland 21212		13 Social security wages 38,600.00	14 Social security tips
		17 State income tax 1208.20	18 State wages, tips, etc. 200,000.00
		20 Local income tax	21 Local wages, tips, etc.
		19 Name of State Md	22 Name of locality

Form W-2 Wage and Tax Statement 1985

Copy C For EMPLOYEE'S RECORDS

This information is being furnished to the Internal Revenue Service.

Department of the Treasury
Internal Revenue Service

For the year January 1-December 31, 1985, or other tax year beginning

1985, ending

19

OMB No 1545-0074

Use IRS label. Otherwise, please print or type.	Your first name and initial (if joint return, also give spouse's name and initial) RICHARD	Last name SHOFER	Your social security number 219 28 1068
	Present home address (number and street, including apartment number, or rural route) 216 ST. DUNSTONS RD		Spouse's social security number
	City, town or post office, state, and ZIP code BALTIMORE MD 21212		Your occupation CORP EXECUTIVE
		Spouse's occupation	

Presidential Election Campaign Do you want \$1 to go to this fund? Yes No
 If joint return, does your spouse want \$1 to go to this fund? Yes No

Note: Checking "Yes" will not change your tax or reduce your refund.

Filing Status

1 Single

2 Married filing joint return (even if only one had income)

3 Married filing separate return. Enter spouse's social security no. above and full name here.

4 Head of household (with qualifying person). (See page 5 of Instructions.) If the qualifying person is your unmarried child but not your dependent, write child's name here.

5 Qualifying widow(er) with dependent child (year spouse died ▶ 19). (See page 6 of Instructions.)

Exemptions

6a Yourself 65 or over Blind

b Spouse 65 or over Blind

c First names of your dependent children who lived with you: **ANDY DAVID**

d First names of your dependent children who did not live with you (see page 6). (If pre-1985 agreement, check here ▶)

(1) Name	(2) Relationship	(3) Number of months lived in your home	(4) Did dependent have income of \$1,040 or more?	(5) Did you provide more than one-half of dependent's support?

f Total number of exemptions claimed (also complete line 36): **3**

Income

7	Wages, salaries, tips, etc. (Attach Form(s) W-2).	7	200 000	1
8	Interest income (also attach Schedule B if over \$400).	8	155	-
9a	Dividends (also attach Schedule B if over \$400).	9a		
9b	Exclusion	9b		
9c	Subtract line 9b from line 9a and enter the result.	9c		
10	Taxable refunds of state and local income taxes, if any, from the worksheet on page 9 of Instructions.	10		
11	Alimony received.	11		
12	Business income or (loss) (attach Schedule C).	12		
13	Capital gain or (loss) (attach Schedule D).	13	< 3 000 >	
14	40% of capital gain distributions not reported on line 13 (see page 9 of Instructions).	14		
15	Other gains or (losses) (attach Form 4797).	15		
16	Fully taxable pensions, IRA distributions, and annuities not reported on line 17 (see page 9).	16	3 400	
17a	Other pensions and annuities, including rollovers. Total received	17a		
17b	Taxable amount, if any, from the worksheet on page 10 of Instructions.	17b		
18	Rents, royalties, partnerships, estates, trusts, etc. (attach Schedule E).	18	< 4 588 >	
19	Farm income or (loss) (attach Schedule F).	19		
20a	Unemployment compensation (insurance). Total received	20a		
20b	Taxable amount, if any, from the worksheet on page 10 of Instructions.	20b		
21a	Social security benefits (see page 10). Total received.	21a		
21b	Taxable amount, if any, from worksheet on page 11. { Tax-exempt interest }	21b		
22	Other income (list type and amount—see page 11 of Instructions)	22		
23	Add lines 7 through 22. This is your total income.	23	154 674	

Adjustments to Income

24	Moving expense (attach Form 3903 or 3903F)	24		
25	Employee business expenses (attach Form 2106).	25		
26	IRA deduction, from the worksheet on page 12	26		
27	Keogh retirement plan deduction	27		
28	Penalty on early withdrawal of savings	28		
29	Alimony paid (recipient's last name and social security no.)	29		
30	Deduction for a married couple when both work (attach Schedule W)	30		
31	Add lines 24 through 30. These are your total adjustments.	31		

Adjusted Gross Income

32 Subtract line 31 from line 23. This is your adjusted gross income. If this line is less than \$11,000 and a child lived with you, see "Earned Income Credit" (line 59) on page 16 of Instructions. If you want IRS to figure your tax, see page 13 of Instructions.

32 154 674

Tax Computation

(See instructions on page 13.)

33	Amount from line 32 (adjusted gross income)		33	154674
34a	If you itemize, attach Schedule A (Form 1040) and enter the amount from Schedule A, line 26. Caution: If you have unearned income and can be claimed as a dependent on your parents' return, check here <input type="checkbox"/> and see page 13 of Instructions. Also see page 13 if you are married filing a separate return and your spouse itemizes deductions, or you are a dual-status alien.		34a	21852
b	If you do not itemize but you made charitable contributions, enter your cash contributions here. (If you gave \$3,000 or more to any one organization, see page 14.)	34b		
c	Enter your noncash contributions (you must attach Form 8283 if over \$500)	34c		
d	Add lines 34b and 34c. Enter the total	34d		
e	Divide the amount on line 34d by 2. Enter the result here	34e		
35	Subtract line 34a or line 34e, whichever applies, from line 33	35		72822
36	Multiply \$1,040 by the total number of exemptions claimed on line 6f (see page 14)	36		3120
37	Taxable income. Subtract line 36 from line 35. Enter the result (but not less than zero)	37		69702
38	Enter tax here. Check if from <input type="checkbox"/> Tax Table, <input checked="" type="checkbox"/> Tax Rate Schedule X, Y, or Z, or <input type="checkbox"/> Schedule G	38		21067
39	Additional taxes. (See page 14 of Instructions.) Enter here and check if from <input type="checkbox"/> Form 4970, <input type="checkbox"/> Form 4972, or <input type="checkbox"/> Form 5544.	39		
40	Add lines 38 and 39. Enter the total	40		21067

Credits

(See instructions on page 14.)

41	Credit for child and dependent care expenses (attach Form 2441)	41		
42	Credit for the elderly and the permanently and totally disabled (attach Schedule R)	42		
43	Residential energy credit (attach Form 5695)	43		
44	Partial credit for political contributions for which you have receipts	44		
45	Add lines 41 through 44. These are your total personal credits	45		
46	Subtract line 45 from line 40. Enter the result (but not less than zero)	46		21067
47	Foreign tax credit (attach Form 1116)	47		
48	General business credit. Check if from <input type="checkbox"/> Form 3800, <input checked="" type="checkbox"/> Form 3468, <input type="checkbox"/> Form 5884, <input type="checkbox"/> Form 6478.	48		4161
49	Add lines 47 and 48. These are your total business and other credits	49		4161
50	Subtract line 49 from line 46. Enter the result (but not less than zero)	50		16906

Other Taxes

(Including Advance EIC Payments)

51	Self-employment tax (attach Schedule SE)	51		
52	Alternative minimum tax (attach Form 6251)	52		2827
53	Tax from recapture of investment credit (attach Form 4255)	53		
54	Social security tax on tip income not reported to employer (attach Form 4137)	54		
55	Tax on an IRA (attach Form 5329)	55		
56	Add lines 50 through 55. This is your total tax	56		19735

Payments

Attach Forms W-2, W-2G, and W-2P to front.

57	Federal income tax withheld	57		17000
58	1985 estimated tax payments and amount applied from 1984 return	58		
59	Earned income credit (see page 16)	59		
60	Amount paid with Form 4868	60		
61	Excess social security tax and RRTA tax withheld (two or more employers)	61		
62	Credit for Federal tax on gasoline and special fuels (attach Form 4136)	62		
63	Regulated Investment Company credit (attach Form 2439)	63		
64	Add lines 57 through 63. These are your total payments	64		17000

Refund or Amount You Owe

65	If line 64 is larger than line 56, enter amount OVERPAID	65		
66	Amount of line 65 to be REFUNDED TO YOU	66		
67	Amount of line 65 to be applied to your 1985 estimated tax	67		
68	If line 56 is larger than line 64, enter AMOUNT YOU OWE. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number and "1985 Form 1040" on it. Check <input type="checkbox"/> if Form 210 (2-20-86) is attached. See page 17. Penalty: \$	68		2735

CLIENT'S COPY

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign Here

Your signature _____ Date _____ Spouse's signature (if filing jointly, BOTH must sign) _____

Paid Preparer's Use Only

Preparer's signature: Kenneth E. ... Date: 2-12-87 Check if self-employed: Preparer's social security no.: 214 50 8023 Firm's name (or yours, if self-employed) and address: GRUBBS, NEWMAN & CO., P. A., CPA'S BALTIMORE, MARYLAND 21210

SCHEDULES A&B
(Form 1040)

Department of the Treasury
Internal Revenue Service (01)

Schedule A—Itemized Deductions

(Schedule B is on back)

▶ Attach to Form 1040. ▶ See instructions for Schedules A and B (Form 1040).

OMB No. 1545-0074

1985
07

Name(s) as shown on Form 1040

RICHARD SHOFER

Your social security number

219 28 1068

Medical and Dental Expenses (Do not include expenses reimbursed or paid by others.) (See instructions on page 19.)	1	Prescription medicines and drugs; and insulin	1			
	2	a Doctors, dentists, nurses, hospitals, insurance premiums you paid for medical and dental care, etc.	2a	15313	1	
		b Transportation and lodging	2b			
		c Other (list—include hearing aids, dentures, eyeglasses, etc.)	2c			
	3	Add lines 1 through 2c, and write the total here	3	15313		
	4	Multiply the amount on Form 1040, line 33, by 5% (.05)	4	7734		
	5	Subtract line 4 from line 3. If zero or less, write -0-. Total medical and dental.	5	7579		
Taxes You Paid (See instructions on page 20.)	6	State and local income taxes	6	6745		
	7	Real estate taxes	7	4339		
	8	a General sales tax (see sales tax tables in instruction booklet)	8a	1300	1	
		b General sales tax on motor vehicles	8b			
	9	Other taxes (list—include personal property taxes) <i>RENTAL TAXES - FROM SCHEDULE E</i>	9	558		
	10	Add the amounts on lines 6 through 9. Write the total here. Total taxes.	10	11866	1	
Interest You Paid (See instructions on page 20.)	11	a Home mortgage interest you paid to financial institutions	11a	20051	1	
		b Home mortgage interest you paid to individuals (show that person's name and address) ▶ <i>POINTS- AMORTIZATION MORTGAGE INTEREST FROM SCHEDULE E</i>	11b	23195		
	12	Total credit card and charge account interest you paid	12	376		
	13	Other interest you paid (list) ▶ <i>GROUND RENT INFRONT ON THE PROP. TAX OTHER INTEREST FROM SCHEDULE E CATALINA OFFICE LOAN INTEREST FROM FORM 4952</i>	13	18544		
	14	Add the amounts on lines 11a through 13. Write the total here. Total interest.	14	64315	1	
Contributions You Made (See instructions on page 21.)	15	a Cash contributions. (If you gave \$3,000 or more to any one organization, report those contributions on line 15b.)	15a	160	1	
		b Cash contributions totaling \$3,000 or more to any one organization. (Show to whom you gave and how much you gave.)	15b			
	16	Other than cash. (You must attach Form 8283 if over \$500.)	16			
	17	Carryover from prior year	17			
	18	Add the amounts on lines 15a through 17. Write the total here. Total contributions.	18	160	1	
Casualty and Theft Losses	19	Total casualty or theft loss(es). (You must attach Form 4684 or similar statement.) (See page 21 of Instructions.)	19			
Miscellaneous Deductions (See instructions on page 21.)	20	Union and professional dues	20			
	21	Tax return preparation fee	21			
	22	Other (list type and amount) ▶ <i>BUSINESS PUBLICATIONS</i>	22	312		
	23	Add the amounts on lines 20 through 22. Write the total here. Total miscellaneous.	23	322	1	
Summary of Itemized Deductions (See instructions on page 22.)	24	Add the amounts on lines 5, 10, 14, 18, 19, and 23. Write your answer here.	24	84242		
	25	If you checked Form 1040 { Filing Status box 2 or 5, write \$3,540 Filing Status box 1 or 4, write \$2,390 Filing Status box 3, write \$1,770 }	25	2390		
	26	Subtract line 25 from line 24. Write your answer here and on Form 1040, line 34a. (If line 25 is more than line 24, see the instructions for line 26 on page 22.)	26	81852		

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side.)

Your social security number

RICHARD SHOPPE

219 28 1068

Part I Interest Income

If you received more than \$400 in interest income, you must complete Part I and list ALL interest received. If you received interest as a nominee for another, or you received or paid accrued interest on securities transferred between interest payment dates, see page 22.

(See Instructions on pages 8 and 22.)

Also complete Part III.

Table with columns: Interest income, Amount. Rows include: 1 Interest income from seller-financed mortgages, 2 Other interest income (list name of payer), 3 Add the amounts on lines 1 and 2. Handwritten entries: YORK RIDGE - CALVERT, SENTINEL TITLE / FIRST NAT'L BANK. Amounts: 113, 42, 155.

Part II Dividend Income

If you received more than \$400 in gross dividends and other distributions on stock, or you are electing to exclude qualified reinvested dividends from a public utility, complete Part II. If you received dividends as a nominee for another, see page 23.

(See Instructions on pages 8 and 22.)

Also complete Part III.

Table with columns: Dividend income, Amount. Rows include: 4 Dividend income (list name of payer), 5 Add the amounts on line 4, 6 Capital gain distributions, 7 Nontaxable distributions, 8 Exclusion of qualified reinvested dividends, 9 Add the amounts on lines 6, 7, and 8, 10 Subtract line 9 from line 5.

*If you received capital gain distributions for the year and you do not need Schedule D to report any other gains or losses, do not file that schedule. Instead, enter 40% of your capital gain distributions on Form 1040, line 14.

Part III Foreign Accounts and Foreign Trusts

(See Instructions on page 23.)

Table with columns: Question, Yes, No. Questions: 11 At any time during the tax year, did you have an interest in or a signature or other authority over a financial account in a foreign country... 12 Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year...

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side)

Your social security number

RICHARD SHOFER

219 28 1068

Part IV Summary of Parts II and III

Table with 5 rows (20-25) and 3 columns. Row 20: 78399. Row 24: 39200. Row 25: 3000.

Part V Computation of Post-1969 Capital Loss Carryovers from 1985 to 1986

Table with 9 rows (26-36) and 3 columns. Row 31: 3000. Row 32: 78399. Row 34: 78399. Row 35: 6000. Row 36: 72399.

Part VI Complete This Part Only If You Elect Out of the Installment Method and Report a Note or Other Obligation at Less Than Full Face Value

Check here if you elect out of the installment method. Enter the face amount of the note or other obligation. Enter the percentage of valuation of the note or other obligation.

Part VII Reconciliation of Forms 1099-B With Tax Return

SECTION A.—Reconciliation of Sales of Stocks, Bonds, etc.

Table with 5 rows (37-41) and 3 columns. Row 37: Total sales of stock, bonds, etc.

SECTION B.—Reconciliation of Bartering Income

Table with 7 rows (42-48) and 3 columns. Row 48: Total (add lines 42 through 47).

SCHEDULE E
(Form 1040)

Supplemental Income Schedule

(From rents and royalties, partnerships, estates, and trusts, etc.)

OMB No. 1545-0074

1985

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Department of the Treasury
Internal Revenue Service (O)

▶ Attach to Form 1040. ▶ See Instructions for Schedule E (Form 1040).

Name(s) as shown on Form 1040

RICHARD SHOFER

Your social security number

219:28:1068

Part I Rental and Royalty Income or Loss

1 In the space provided below, show the kind and location of each rental property.	2 For each property listed, did you or a member of your family use for personal purposes any of the properties for more than the greater of 14 days or 10% of the total days rented at fair rental value during the tax year?	Yes	No
Property A GAS STATION 5000 LIBERTY ROAD - COMMERCIAL			✓
Property B UNIT 15 L MAHOGANY RUN -			✓
Property C UNIT 29 H MAHOGANY RUN -			✓

Rental and Royalty Income	Properties			Totals	
	A	B	C	(Add columns A, B, and C)	
3 a Rents received	-0-	12335	2375	3	14710
b Royalties received					
Rental and Royalty Expenses					
4 Advertising		SEE SCHEDULE	SEE SCHEDULE		
5 Auto and travel			867		
6 Cleaning and maintenance					
7 Commissions		1179			
8 Insurance					
9 Legal and other professional fees					
10 Mortgage interest paid to financial institutions (see Instructions)		5174	2910	10	8084
11 Other interest		1	25		
12 Repairs		418	3802		
13 Supplies		124			
14 Taxes (Do not include Windfall Profit Tax here. See Part III, line 34.)	1432	(71)	(94)		
15 Utilities		799	1442		
16 Wages and salaries					
17 Other (list) ▶ ASSOCIATION DUES		2414	2424		
TELEPHONE		407			
MANAGEMENT FEE		3818			
INSURANCE		117	290		
AMORTIZATION			18		
18 Total expenses other than depreciation and depletion. Add lines 4 through 17	1432	14380	11684	18	27496
19 Depreciation expense (see Part V Instructions), or depletion	1586	13667	17842	19	33095
20 Total. Add lines 18 and 19	3018	28047	29526		
21 Income or (loss) from rental or royalty properties. Subtract line 20 from line 3a (rents) or 3b (royalties)	(3018)	(15712)	(27151)		
22 Add properties with profits on line 21, and write the total profits here				22	< 45881
23 Add properties with losses on line 21, and write the total (losses) here				23	< 45881
24 Combine amounts on lines 22 and 23, and write the net profit or (loss) here				24	< 45881
25 Net farm rental profit or (loss) from Form 4835, line 35				25	
26 Total rental or royalty income or (loss). Combine amounts on lines 24 and 25, and write the total here. If Parts II and III on page 2 do not apply to you, write the amount from line 26 on Form 1040, line 18. Otherwise, include the amount in line 36 on page 2 of Schedule E.				26	< 45881

RICHARD SHOFER

1040 Schedule E

219-28-1068

(1)	(2)	(3)	(4)	(5)	(6)	(7)
ALLOCATION OF EXPENSES						
UNIT ISL	MAHOGANY	RUN				
	EXPENSES		RATIO TO DETERMINE SCHEDULE E EXPENSE	DEDUCTIBLE EXPENSES FOR SCHEDULE E		
	AT 100%					
	COMMISSIONS	1179	108	1179		
	MORTGAGE INTEREST	17486 (A)	365	5174	12312	SCHEDULE A
	OTHER INTEREST	5	108	1	4	SCHEDULE A
	REPAIRS	441 (B)	108	418		
	SUPPLIES	132	108	124		
	REAL PROP. TAX	(239)	365	(71)	(168)	SCHEDULE A
	UTILITIES	851	108	799		
	ASSOCIATION DUES	2570	108/115	2414		
	TELEPHONE	433		407		
	MANAGEMENT FEE	4065		3818		
	INSURANCE	125		117		
	DEPRECIATION	14513		13667		
	<u>TOTAL</u>	<u>41605</u>		<u>28047</u>		

(A) FOR INTEREST AND TAXES DAYS RENTED ÷ TOTAL DAYS

(B) FOR OTHER EXPENSES DAYS RENTED ÷ (DAYS RENTED + PERSONAL DAYS)

DAYS RENTED AT FAIR VALUE 108

DAYS USED FOR PERSONAL USE 7

RICHARD SHOFER

1040 SCHEDULE E

219-28-1068

(1)	(2)	(3)	(4)	(5)	(6)	(7)
ALLOCATION OF EXPENSES						
	UNIT 29M	MAHOGANY RUN				
		EXPENSES AT 100%	RATIO TO DETERMINE SCHEDULE E EXPENSES	DEFLECTIBLE EXPENSES FOR SCHEDULE E		
	TRAVEL	812.	(B) 77/81.	867.		
	MORTGAGE INTEREST	13793.	(A) 77/365.	2910.	10883	SCHEDULE A
	OTHER INTEREST	120.	77/365.	25.	95	SCHEDULE A
	REPAIRS	3999.	77/81.	3802.		
	TAXES	< 444 >	77/365.	< 94 >	< 350 >	SCHEDULE A
	UTILITIES	1517.	77/81.	1442.		
	ASSOCIATION DUES	2550.	7/6.	2424.		
	INSURANCE	305.	77/81.	290.		
	AMORTIZATION - PAINTS	86.	77/365.	18.	68	SCHEDULE A
	DEPRECIATION	18769.	77/81.	17842.		
	TOTAL	<u>41607</u>		<u>29526</u>		

(A) FOR INTEREST & TAXES $\text{DAYS RENTED} \div \text{TOTAL DAYS}$
 (B) FOR OTHER EXPENSES $\text{DAYS RENTED} \div (\text{DAYS RENTED} + \text{PERSONAL DAYS})$

DAYS RENTED AT FAIR VALUE 77
 DAYS USED FOR PERSONAL USE 4

Sale or Exchange of Principal Residence

OMB No. 1545-0072

▶ See instructions on back.

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▶ Attach to Form 1040 for year of sale (see instruction B).

Name(s) as shown on Form 1040.

RICHARD SHOFER

Your social security number

219;28;1068

Do not include expenses that you deduct as moving expenses.

1 a Date former residence sold ▶ 3-22-85

b Enter the face amount of any mortgage, note (for example, second trust), or other financial instrument on which you will receive periodic payments of principal or interest from this sale ▶ NONE

2 a If you bought or built a new residence, enter date you occupied it; otherwise enter "None" ▶ 2-28-84 Yes No

b Are any rooms in either residence rented out or used for business for which a deduction is allowed? (If "Yes," see instructions) Yes No

3 a Were you 55 or over on date of sale? Yes No

b Was your spouse 55 or over on date of sale? (If you answered "No" to 3a and 3b, do not complete 3c through 3f and Part II.) Yes No

c Did the person who answered "Yes" to 3a or 3b own and use the property sold as his or her principal residence for a total of at least 3 years (except for short absences) of the 5-year period before the sale? Yes No

d If you answered "Yes" to 3c, do you elect to take the once in a lifetime exclusion of the gain on the sale? Yes No

e At time of sale, was the residence owned by: you, your spouse, both of you?

f Social security number of spouse, at time of sale, if different from number on Form 1040 ▶ (Enter "None" if you were not married at time of sale.) NONE

Part I Computation of Gain

4 Selling price of residence less expense of sale. (Do not include personal property items.)	<u>4</u>	<u>53128</u>	<u>1</u>
5 Basis of residence sold	<u>5</u>	<u>40302</u>	
6 Gain on sale (subtract line 5 from line 4). If zero or less, enter zero and do not complete the rest of form. Enter the gain from this line on Schedule D, line 2 or 10*, unless you bought another principal residence or checked "Yes" to 3d. Then continue with this form	<u>6</u>	<u>12826</u>	

If you haven't replaced your residence, do you plan to do so within the replacement period? Yes No
 (If "Yes" see instruction B.)

Part II Age 55 or Over One-Time Exclusion

Complete this part only if you checked "yes" to 3(d) to elect the once in a lifetime exclusion; otherwise, skip to Part III.

7 Enter the smaller of line 6 or \$125,000 (\$62,500, if married filing separate return)	<u>7</u>		
8 Gain (subtract line 7 from line 6). If zero, do not complete rest of form. Enter the gain from this line on Schedule D, line 10*, unless you bought another principal residence. Then continue with this form	<u>8</u>		

Part III Gain To Be Postponed and Adjusted Basis of New Residence

Complete this part if you bought another principal residence.

9 Fixing-up expenses (see instructions for time limits)	<u>9</u>	<u>1625</u>	<u>1</u>
10 Adjusted sales price (subtract line 9 from line 4)	<u>10</u>	<u>51503</u>	<u>1</u>
11 Cost of new residence	<u>11</u>	<u>208439</u>	<u>-</u>
12 Gain taxable this year (subtract line 11 plus line 7 (if applicable) from line 10). If result is zero or less, enter zero. Do not enter more than line 6 or line 8 (if applicable). Enter the gain from this line on Schedule D, line 2 or 10*.	<u>12</u>	<u>-0-</u>	
13 Gain to be postponed (subtract line 12 from line 6. However, if Part II applies, subtract line 12 from line 8)	<u>13</u>	<u>12826</u>	
14 Adjusted basis of new residence (subtract line 13 from line 11)	<u>14</u>	<u>195613</u>	<u>1</u>

*Caution: If you completed Form 6252 for the residence in 1a, do not enter your taxable gain from Form 2119 on Schedule D.

Department of the Treasury
Internal Revenue Service (X)

▶ Attach to your tax return.
▶ Schedule B (Business Energy Investment Credit) on back.

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Name(s) as shown on return

RICHARD SMOFER

Identifying number

219-28-1068

Part I Elections (Check the box(es) below that apply to you (See Instruction D).)

- A** I elect to increase my qualified investment to 100% for certain commuter highway vehicles placed in service before January 1, 1986 (section 46(c)(6))
- B** I elect to increase my qualified investment by all qualified progress expenditures made this and all later tax years
Enter total qualified progress expenditures included in column (4), Part II ▶
- C** I claim full credit on certain ships under section 46(g)(3) (See Instruction B for details.)

Part II Qualified Investment (See instructions for rules on automobiles and other property with any personal use)

1 Recovery Property		Line	(1) Class of Property	(2) Cost or Other Basis	(3) Applicable Percentage	(4) Qualified Investment (Column 2 x column 3)
Regular Percentage	New Property	(a)	3-year		60	
		(b)	Other	29606	100	29606
	Used Property	(c)	3-year		60	
		(d)	Other	12000	100	12000
Section 48(q) Election to Reduce Credit (instead of adjusting basis)	New Property	(e)	3-year		40	
		(f)	Other		80	
	Used Property	(g)	3-year		40	
		(h)	Other		80	

2 Nonrecovery property—Enter total qualified investment (See instructions for line 2)	2	
3 New commuter highway vehicle—Enter total qualified investment (See Instruction D(1)).	3	
4 Used commuter highway vehicle—Enter total qualified investment (See Instruction D(1))	4	
5 Total qualified investment in 10% property—Add lines 1(a) through 1(h), 2, 3, and 4 (See instructions for special limits)	5	41606
6 Qualified rehabilitation expenditures—Enter total qualified investment for:		
a 30-year-old buildings	6a	
b 40-year-old buildings	6b	
c Certified historic structures (You must attach NPS certification—see instructions)	6c	

Part III Tentative Regular Investment Credit

7 10% of line 5	7	4161
8 15% of line 6a	8	
9 20% of line 6b	9	
10 25% of line 6c	10	
11 Credit from cooperatives—Enter regular investment credit from cooperatives	11	
12 Regular investment credit—Add lines 7 through 11	12	4161
13 Business energy investment credit—From line 11 of Schedule B (see back of this form)	13	
14 Current year investment credit—Add lines 12 and 13	14	4161

Note: If you have a 1985 jobs credit (Form 5884), credit for alcohol used as fuel (Form 6478), or employee stock ownership plan (ESOP) credit (Form 8007) in addition to your 1985 investment credit, or if you have a carryback or carryforward of any general business credit, stop here and go to Form 3800, General Business Credit, to claim your 1985 investment credit. If you have only a 1985 investment credit (which may include business energy investment credit), you may continue with lines 15 through 20 to claim your credit.

Part IV Tax Liability Limitations

15 a Individuals—From Form 1040, enter amount from line 46	15	21067
b Corporations—From Form 1120, Schedule J, enter tax from line 3 (or Form 1120-A, Part I, line 1).		
c Other filers—Enter income tax before credits from return		
16 a Individuals—From Form 1040, enter credit from line 47, plus any orphan drug, nonconventional source fuel, and research credits included on line 49	16	
b Corporations—From Form 1120, Schedule J, enter credits from lines 4(a) through 4(e) (Form 1120-A filers, enter zero)		
c Other filers—See instructions for line 16c		
17 Income tax liability as adjusted (subtract line 16 from line 15).	17	21067
18 a Enter smaller of line 17 or \$25,000. (See instructions for line 18)	18a	21067
b If line 17 is more than \$25,000—Enter 85% of the excess.	18b	-
19 Investment credit limitation—Add lines 18a and 18b	19	21067
20 Total allowed credit—Enter the smaller of line 14 or line 19. This is your General Business Credit for 1985. Enter here and on Form 1040, line 48; Form 1120, Schedule J, line 4(f); Form 1120-A, Part I, line 2; or the proper line of other returns	20	4161

4797

Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions

OMB No. 1545-0184

1985

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Department of the Treasury Internal Revenue Service

(And Computation of Recapture Amounts Under Sections 179 and 280F)

Attach to your tax return. See Separate Instructions

Name(s) as shown on return

RICHARD SHOFE

Identifying number

219-28-1068

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty and Theft—Property Held More Than 6 months (More Than 1 Year if Acquired Before 6/23/84)

- Notes: Use Form 4684 to report involuntary conversions from casualty and theft. If you sold property that you claimed investment credit on, get Form 4255 to see if you are liable for recapture of the credit. File Form 6198 if you are reporting a loss and have amounts invested in the activity for which you are not at risk.

Table with 8 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Gross sales price, (e) Depreciation allowed, (f) Cost or other basis, (g) LOSS, (h) GAIN. Includes rows for gain from Form 4684, Section B, line 21; Section 1231 gain from installment sales; and nonrecaptured net section 1231 losses.

Part II Ordinary Gains and Losses

Table with 8 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Gross sales price, (e) Depreciation allowed, (f) Cost or other basis, (g) LOSS, (h) GAIN. Includes rows for loss from line 6; gain from line 6 or amount from line 7; net gain or loss from Form 4684; and a row for FURNITURE with date 3-15-85, price 3000, and loss 3000.

For Paperwork Reduction Act Notice, see page 1 of separate instructions.

Form 4797 (1985)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, 1255

Skip section 1252 on line 26 and in the instructions, if you did not dispose of farmland, or if a partnership files this form.

18 Description of sections 1245, 1250, 1252, 1254, and 1255 property:	Date acquired (mo., day, yr.)	Date sold (mo., day, yr.)
A		
B		
C		
D		

Relate lines 18A through 18D to these columns	Property A	Property B	Property C	Property D
19 Gross sales price				
20 Cost or other basis plus expense of sale				
21 Depreciation (or depletion) allowed (or allowable)				
22 Adjusted basis, subtract line 21 from line 20				
23 Total gain, subtract line 22 from line 19				
24 If section 1245 property:				
a Depreciation allowed (or allowable) (see instructions)				
b Enter smaller of line 23 or 24a				
25 If section 1250 property: (If straight line depreciation used, enter zero on line 25g unless you are a corporation subject to section 291.)				
a Additional depreciation after 12/31/75				
b Applicable percentage times the smaller of line 23 or line 25a (see instructions)				
c Subtract line 25a from line 23. If line 23 is not more than line 25a, skip lines 25d and 25e.				
d Additional depreciation after 12/31/69 and before 1/1/76				
e Applicable percentage times the smaller of line 25c or 25d (see instructions)				
f Section 291 amount (For corporations only.)				
g Add lines 25b, 25e, and 25f				
26 If section 1252 property:				
a Soil, water, and land clearing expenses				
b Line 26a times applicable percentage (see instructions)				
c Enter smaller of line 23 or 26b				
27 If section 1254 property:				
a Intangible drilling and development costs deducted after 12/31/75 (see instructions)				
b Enter smaller of line 23 or 27a				
28 If section 1255 property:				
a Applicable percentage of payments excluded from income under section 126 (see instructions)				
b Enter the smaller of line 23 or 28a				

Summary of Part III Gains (Complete property columns A through D through line 28b before going to line 29)

29 Total gains for all properties (add columns A through D, line 23)	
30 Add columns A through D, lines 24b, 25g, 26c, 27b, and 28b. Enter here and in Part II, line 11	
31 Subtract line 30 from line 29. Enter the portion from casualty and theft on Form 4684, Section B, line 15; enter the portion from other than casualty and theft on Form 4797, Part I, line 4.	

Part IV Complete This Part Only If You Elect Out of the Installment Method And Report a Note or Other Obligation at Less Than Full Face Value

Check here if you elect out of the installment method.

Enter the face amount of the note or other obligation ▶

Enter the percentage of valuation of the note or other obligation ▶

Part V Computation of Recapture Amounts Under Sections 179 and 280F When Business Use Drops to 50% or Less (See Instructions for Part V.)

	(a) Section 179	(b) Section 280F
1 Section 179 expense deduction or section 280F recovery deductions		
2 Depreciation (see instructions)		
3 Recapture amount. (Subtract line 2 from line 1.)		

Investment Interest Expense Deduction

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▶ See instructions on back.
▶ Attach to Form 1040 (or Form 1041).

Name(s) as shown on return RICHARD SHOFER Identifying number 219-28-1062 1
Kind of return Individual Estate Trust

Part I Interest on Investment Debts Incurred Before December 17, 1969

Note: Use Part I only if you have investment interest expense on debts incurred before December 17, 1969, in addition to debts incurred on or after that date.

1	Interest expense on investment debts incurred before December 17, 1969	1	
2	Total net investment income	2	
3	Net investment income allocable to the period before December 17, 1969: $\frac{\text{Line 1}}{\text{Line 1} + \text{Line 7} + \text{Line 15} + \text{Line 27}} \times \text{Line 2}$	3	
4	Subtract line 3 from line 2—Enter here and on line 10(a)	4	

Part II Interest on Investment Debts Incurred After September 10, 1975

5	Interest expense on investment debts incurred after September 10, 1975	5	
6	Carryover—Enter amount from 1984 Form 4952, line 14 (see instructions)	6	
7	Total investment interest expense (add lines 5 and 6)	7	
8	(a) Individuals enter \$10,000 (\$5,000 if married filing separately)	8a	
	(b) Additional limitation	8b	
9	Estates enter \$10,000; trusts enter zero	9	
10	(a) Total net investment income (amount from line 4 if Part I is used)	10a	
	(b) $\frac{\text{Line 7}}{\text{Line 7} + \text{Line 15} + \text{Line 27}} \times \text{Line 10(a)}$	10b	
11	Excess expenses from "net lease property"	11	
12	Limitation on deduction (add lines 8(a), (b), 9, 10(b) and 11)	12	
13	Allowable investment interest deduction—Enter the smaller of line 7 or line 12 (see instructions)	13	
14	Disallowed investment interest to be carried over to 1986 (subtract line 13 from line 7)	14	

Part III Interest on Investment Debts Incurred Before September 11, 1975, and After December 16, 1969

15	Interest expense on investment debts incurred before September 11, 1975, and after December 16, 1969	15	18466
16	Individuals enter \$25,000 (\$12,500 if married filing separately)	16	25000
17	Estates enter \$25,000; trusts enter zero	17	
18	Net investment income (subtract line 10(b) from line 10(a))	18	155
19	Excess expenses from "net lease property"	19	
20	Net long-term capital gain minus net short-term capital loss from sale or exchange of property held for investment	20	
	Note: To adjust this gain on Schedule D or Form 4798, see Schedule D (Form 1040) instructions.		
21	Tentative limitation (add lines 16 through 20)	21	25155
22	Subtract line 21 from line 15. If line 21 is more than line 15, enter zero	22	-0
23	Additional deduction (50% of line 22)	23	-0
24	Limitation on deduction (add lines 21 and 23)	24	25155
25	Allowable investment interest deduction—Enter the smaller of line 15 or line 24 (see instructions)	25	18466
26	Disallowed investment interest to be carried over to 1986 (subtract line 25 from line 15)	26	-

Part IV Investment Interest Expense Carryover From Earlier Years—Incurred Before September 11, 1975

27	Carryover—Enter the sum of the amounts from your 1984 Form 4952, lines 26 and 35 (see instructions)	27	22539
28	Enter amount reportable on line 18 plus \$25,000*	28	25155
29	Enter the larger of line 15 or \$25,000*	29	25000
30	Subtract line 29 from line 28. If line 29 is larger than line 28, enter zero	30	155
31	Enter 50% of line 30	31	78
32	Allowable investment interest deduction (enter the smaller of line 27 or line 31)	32	78
33	Interest carryover from earlier years disallowed in 1985 (subtract line 32 from line 27)	33	22461
34	Enter the 60% capital gain deduction from your 1985 Schedule D or 1985 Form 4798	34	-
35	Interest carryover to 1986 (subtract line 34 from line 33)	35	22461

*\$12,500, if married filing separately; zero, if a trust.

Depreciation and Amortization

1985

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▶ See separate instructions.
 ▶ Attach this form to your return.

Name(s) as shown on return: RICHARD SHOFER Identifying number: 219-28-1068
 Business or activity to which this form relates: RENTAL PROPERTIES

Part I Depreciation

Use Part III, Specific Information Concerning Automobiles and other Listed Property, for certain transportation equipment (e.g. autos), amusement/recreation property, and computer/peripheral equipment.

Section A.—Election to Expense Recovery Property (Section 179)

(a) Class of property	(b) Cost	(c) Expense deduction
1 EQUIPMENT - YEAR (UNIT 29M) *	5000	5000
2 Listed property—Enter total from Part III, Section A, column (h)		
3 Total (see instructions for limitations). (Partnerships or S corporations—see the Schedule K and Schedule K-1 Instructions of Form 1065 or 1120S)		5000

Section B.—Depreciation of Recovery Property

(a) Class of property	(b) Date placed in service	(c) Cost or other basis	(d) Recovery period	(e) Method of figuring depreciation	(f) Deduction
4 Accelerated Cost Recovery System (ACRS) (see instructions): For assets other than automobiles and other listed property placed in service ONLY during tax year beginning in 1985					
a 3-year property					
b 5-year property	15L 29M	11,400 28,126 *	5	ACRS	5929
c 10-year property					
d 15-year public utility property					
e Low-income housing					
f 15-year real property					
(15L) (29M) g 18-year real property	2-27-85	142,700	18		12,843 9'
(See "Items You Should Note")	3-15-85	119,371	18		9,550 8'

5 Listed property—Enter total from Part III, Section A, column (g)
 6 ACRS deduction for assets other than automobiles and other listed property placed in service prior to 1985 (see instructions)

Section C.—Depreciation of Nonrecovery Property

7 Property subject to section 168(e)(2) election (see instructions)
 8 Other depreciation (see instructions)

Section D.—Summary

9 Total (Add deductions on lines 3 through 8). Enter here and on the Depreciation line of your return (Partnerships and S corporations—Do NOT include any amounts entered on line 3.) **33,322**

Part II Amortization

(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
POINTS - UNIT 29M	3-15-85	1725	461(g)	15 yr	86

Total. Enter here and on Other Deductions or Other Expenses line of your return **86**

See Paperwork Reduction Act Notice on page 1 of the separate instructions.

Part III Specific Information Concerning Automobiles and Other Listed Property

For property used 50% or less in a trade or business, the section 179 expense deduction is not allowed. For listed property used 50% or less in a trade or business, depreciation **MUST** be computed under the straight-line method.

Section A.—Depreciation of Automobiles and Other Listed Property (see instructions for limitations)

Item No.	(a) Description (list vehicles first)	(b) Date placed in service	(c) Business use percentage (%)	(d) Cost or other basis	(e) Recovery period	(f) Method of figuring depreciation	(g) Deduction	(h) Section 179 expense
1								
2								
3								
4								
5								
6								
7								
8								
9								
Total (Enter here and on line 2, page 1.)								
Total (Enter here and on line 5, page 1.)								

Section B.—Questions Regarding Use of Automobiles and Other Listed Property

	Yes	No
<i>To Be Completed by All Filers:</i>		
1 Do you have evidence, for all the listed property above, to support the business use percentage claimed?		
2 Is the evidence written?		
<i>To Be Completed by Employers Who Provide Vehicles for Use by Employees:</i>		
3 Do you maintain a written policy statement, meeting the conditions described in the instructions, that prohibits all personal use of vehicles, including commuting, by your employees? If "Yes," do not complete items 6 through 12 for any of the vehicles furnished to employees that are covered by the written policy statement.		
4 Do you maintain a written policy statement, meeting the conditions described in the instructions, that prohibits personal use of vehicles, except commuting, by your employees? If "Yes," you must complete items 6 through 12: (a) only for those vehicles furnished to "disqualified persons" even if they are covered by the statement; and (b) for all vehicles not covered by the statement.		
5 Do you provide more than five vehicles to your employees, or treat all use of vehicles by employees as personal use? If "Yes," you do not have to answer questions 6 through 12: (a) for vehicles furnished to other than disqualified persons, or (b) if you treat all use of vehicles by employees as personal use. You must retain the information received from your employees regarding the use of the vehicles.		

Section C.—Information Regarding Use of Vehicles

	Vehicle 1		Vehicle 2		Vehicle 3		Vehicle 4		Vehicle 5		Vehicle 6	
6 Total miles driven during the year												
7 Total business miles driven during the year												
8 Total commuting miles driven during the year												
9 Total other personal (non-commuting) miles driven												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
10 Was the vehicle available for personal use during off-duty hours?												
11 Is another vehicle available for personal use?												
12 Was the vehicle used primarily by a disqualified person?												

Alternative Minimum Tax Computation

▶ Attach to Forms 1040, 1040NR, 1041 or 990-T (Trust).

Name(s) as shown on tax return RICHARD SHOEFER		Identifying number 219-28-106d	
1	Adjusted gross income from Form 1040, line 33 or Form 1040NR, line 32 (see instructions)	1	154674
2	Deductions (see instructions):		
	a (1) Medical and dental expense from Schedule A, line 5	2a(1)	7579
	(2) Multiply Form 1040, line 33 by 5% (.05)	2a(2)	7734
	(3) Subtract line 2a(2) from line 2a(1). (If zero or less, enter zero)	2a(3)	-
	b Contributions from Schedule A, line 18	2b	160
	c Casualty and theft losses from Schedule A, line 19	2c	-
	d Qualified interest on property used as a residence from Schedule A, line 11	2d	43314
	e (1) Interest, other than line 2d above, from Schedule A, line 14	2e(1)	21001
	(2) Net investment income (If zero or less, enter zero)	2e(2)	155
	(3) Enter the smaller of line 2e(1) or line 2e(2)	2e(3)	155
	f Gambling losses to the extent of gambling winnings from Schedule A, line 22	2f	
	g Estate tax allowable under section 691(c) from Schedule A	2g	
	h Estates and trusts only: Charitable deduction and income distribution deduction	2h	
	i Add lines 2a(3), b, c, d, e(3), f, g, and h	2i	43629
3	Subtract line 2i from line 1	3	111045
4	Tax preference items:		
	a Dividend exclusion	4a	
	b 60% capital gain deduction	4b	
	c Accelerated depreciation on nonrecovery real property or 15 (or 18)-year real property	4c	9899
	d Accelerated depreciation on leased personal property or leased recovery property other than 15 (or 18)-year real property	4d	7733
	e Amortization of certified pollution control facilities	4e	
	f Mining exploration and development costs	4f	
	g Circulation and research and experimental expenditures	4g	
	h Reserves for losses on bad debts of financial institutions	4h	
	i Depletion	4i	
	j Incentive stock options	4j	
	k Intangible drilling costs	4k	
	l Add lines 4a through 4k	4l	17632
5	Alternative minimum taxable income (add lines 3 and 4(l)) (short period returns, see instructions)	5	128677
6	Enter: \$40,000, if married filing joint return or Qualifying widow(er) \$30,000, if single or head of household \$20,000, if married filing separate return or estate or trust	6	30000
7	Subtract line 6 from line 5. If zero or less, do not complete the rest of this form	7	98677
8	Enter 20% of line 7	8	19735
9	Amount from Form 1040, line 50, or Form 1040NR, line 51. (Do not include Form 1040, line 39, or Form 1040NR, line 41.) (estates and trusts, see instructions)	9	16906
10	Subtract line 9 from line 8. If zero or less, enter zero	10	2829
11	Foreign tax credit	11	
12	Alternative minimum tax (subtract line 11 from line 10). Enter on Form 1040, line 52, Form 1040NR, line 52, Form 1041, line 31, or Form 990-T, page 1, line 14.	12	2829

Instructions

(Section References are to the Internal Revenue Code)

Paperwork Reduction Act Notice.— We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Who Must File.—File this form if: (a) You are liable for the alternative minimum tax; or (b) you have one or more tax preference items on lines 4c through 4k; or (c) you have an amount on line 2e(3), and line 2e(2) includes income other than interest and dividend income.

Individuals, estates or trusts may be liable if their adjusted gross income plus tax preference items listed on line 4 total more than line 6.

For more information, see Publication 909, Alternative Minimum Tax.

Minimum Tax Deferred From Earlier Year(s).—If a net operating loss carryover from an earlier year(s) reduces taxable income for 1985, and the net operating loss giving rise to the carryover resulted in the deferral of minimum tax in that earlier year(s), all or part of the deferred minimum tax may be includible as tax liability for 1985. Figure the deferred minimum tax in the worksheet in Publication 909 and enter it on Form 1040, line 52, or Form 1041, line 31. Write "Deferred Minimum Tax."

Partners, Beneficiaries, etc.—If you are a:

(1) Partner or shareholder of an S corporation, take into account separately your distributive share of items of income and deductions that

enter into the computation of tax preference items.

(2) Beneficiary of an estate or trust, see section 58(c).

(3) Participant in a common trust fund, see section 58(e).

(4) Shareholder or holder of beneficial interest in a regulated investment company or a real estate investment trust, see section 58(f).

Carryback and Carryover of Unused Credits.—It may be necessary to figure the carryback or carryover of certain unused credits. See section 55(c)(3).

Note: If you have an earned income credit, you must reduce that credit by any alternative minimum tax.

(Continued on back)

Or Fiscal Year Beginning 1985, Ending 19
(For Privacy Notice See Page 15 of Instructions)

First Name(s) and Initial(s) (If joint return, use first names and middle initials of both) RICHARD		Last Name(s) SHOFFER		DO NOT WRITE IN THIS SPACE SERIAL No. C
PRESENT Address (Number and Street or Rural Route) 216 ST DUNSTONS ROAD		Your Social Security Number 219 28 1068		
Post Office BALTIMORE	State MD	Zip Code 21212	Your Occupation CORP. EXECUT.	
Name of COUNTY in which you were a resident on the last day of the taxable period. (See page 15 of instructions)		Maryland County	Spouse's Social Security Number	
If you lived in an INCORPORATED city, town or special taxing area on the last day of the taxable period, enter its name, also.		City, Town, or Taxing Area BALTIMORE	Spouse's Occupation	

A. YOUR FILING STATUS — check only one:

- Single
- Married filing joint return or spouse had no income
- Married filing combined separate returns on this form
- Married filing separately
Spouse's Name _____ Spouse's Social Security Number _____
- Qualifying widow(er) with dependent child

B. CHANGE OF RESIDENT STATUS

1. Did you establish or abandon legal residence in Maryland in 1985? Yes No

2. If Yes, give dates of Maryland Residency and see instructions, p. 13

FROM _____ TO _____
Mo Day Yr Mo Day Yr

Other State of Residence _____

EXEMPTIONS

REGULAR	65 OR OVER	BLIND
YOURSELF <input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SPOUSE <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ENTER NUMBER CHECKED **11 (A)**

FIRST NAMES OF DEPENDENT CHILDREN
ANDY DAVID

ENTER NUMBER **2 (B)**

OTHER EXEMPTIONS ALLOWED BY MARYLAND

NAME	RELATIONSHIP	REGULAR	65 OR OVER
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>

ENTER NUMBER CHECKED _____ (C)

TOTAL EXEMPTIONS (Add A, B and C) **3**

In combined separate returns, number of exemptions claimed in Column A Column B

For Combined Separate Filing, use Column A and Column B, otherwise use Column B only.

	COLUMN A	COLUMN B
1. Federal Adjusted Gross Income (From Line 42 of this form)		154674
2. Additions (From Line 49 of this form)		3816
3. Total (Add Lines 1 and 2)		158490
4. Subtractions (From Line 58 of this form)		
5. Total Maryland Adjusted Gross Income (Subtract Line 4 from Line 3)		158490
6. TAX TABLE — Pages 23-32 of Instructions. Check here. Skip Lines 7-11. Write Tax on Line 12 <input type="checkbox"/>		
7. If you Use the Standard Deduction, Check here and Enter 13% of Line 5 not to exceed \$1500 per Taxpayer for FILING STATUS 1, 3, 4, and 5 or \$3000 for FILING STATUS 2 <input type="checkbox"/>		77497
8. If you Itemize Deductions, Check here and Enter Total Deductions (From Form 502A) <input checked="" type="checkbox"/>		
9. Net Income (Subtract Line 7 or Line 8 from Line 5)		80993
10. Number of Exemptions X \$800 (Prorate according to number of months covered by the return) 3		2400
11. Taxable Net Income (Subtract Line 10 from Line 9. Do not use tables. Use Worksheets, p. 21-22)		78593
12. Maryland Tax (As computed on Worksheets, p. 21-22, when Lines 7 through 11 are used)		3870
13. Local Income Tax (From Rate Schedule, Page 17 of Instructions) Enter <u>50</u> % of Line 12		1935
14. Total Maryland and Local Income Tax. (Add Lines 12 and 13)		5805
15. Total Maryland Tax Withheld		1208
16. 1985 Estimated Tax Payments and Payment Made with an Extension Request		3500
17. Credit for Income Tax Paid another State (From Form 502 CR)		
18. Enterprise Zone Credit (From Form 500 Z)		
19. Total Payments and Credits (Add Lines 15 through 18)		4708
20. Balance Due (If Line 14 Exceeds Line 19) Pay in Full With This Return		1097
21. Overpayment (If Line 14 is Less Than Line 19)		
22. Combined Balance Due Pay in Full With This Return		
23. Combined Overpayment		
24. Amount of Line 21 or Line 23 TO BE REFUNDED TO YOU Refund		
25. Amount of Overpayment to be Credited to 1986 Estimated Tax		

If Form 502 EP is Attached, Write the Interest Amount Here and See Instructions, Page 18

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge.

Make checks payable to and mail to:
COMPTROLLER OF THE TREASURY
INCOME TAX DIVISION
ANNAPOLIS, MARYLAND 21411
(Include Social Security No.)

Your Signature and Date
Kenneth E. Karas 2-12-87

Spouse's Signature and Date (If CRABBY-By NEWMAN-SANTALONE & CO., P.C., CP)

Signature of Preparer Other Than Taxpayer

Address
BALTIMORE, MARYLAND 21210
E. I. 52-1134882

Date

SCHEDULES

All taxpayers must complete Schedule A. Taxpayers with modifications to Federal adjusted gross income must complete Schedule C and/or D as applicable. See instructions, Page 18.

COLUMNS

All taxpayers must complete Column C with the items appearing on the Federal returns. Married individuals who filed a joint Federal return, but who choose to file combined separate Maryland returns, must complete Columns A and B, reconciling their separate income and modifications with the amounts reported jointly for Federal purposes.

SCHEDULE A — INCOME AND ADJUSTMENTS FROM FEDERAL RETURN

	COLUMN A	COLUMN B	COLUMN C
26. Wages, Salaries, Tips, etc. 26			200000
27. Interest 27			155
28. Dividends 28			
29. Refunds of State and Local Income Taxes 29			
30. Alimony Received 30			
31. Business Income or (Loss) 31			
32. Capital Gain or (Loss) 32			(3000)
33. Supplemental Gains or (Losses) from Federal Form 4797 33			
34. Taxable Amount of Pensions and Annuities, IRA Distributions 34			3400
35. Rents & Royalties, Partnerships, Estates or Trusts, etc. (circle appropriate items) 35			(45881)
36. Farm Income or (Loss) 36			
37. Taxable Amount of Unemployment Compensation 37			
38. Taxable Amount of Social Security and Tier 1 Railroad Retirement Benefits 38			
39. Other Income 39			
40. Total Income (Add Lines 26 Through 39) 40			154674
41. Adjustments to Income (Total Adjustments to Income from Federal Return) 41			
42. Adjusted Gross Income (Subtract Line 41 from Line 40) (Enter on Line 1) 42			154674

SCHEDULE B — ITEMIZED DEDUCTIONS AND MARYLAND ADJUSTMENTS

Complete and Attach Form 502A. Write the Figure on Line 30 of 502A on Line 8 of this Form.

MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME

SCHEDULE C — ADDITIONS

43. Federal Deduction for Two-Earner Married Couples 43			
44. Interest on State and Local Obligations Other Than Maryland 44			
45. Dividend Exclusion (From Federal Return) 45			
46. Taxable Tax Preference Items (Attach Form 502 TP) 46			3816
47. Lump Sum Distributions (See Instructions, Page 18) 47			
48. Other (Specify) (See Instructions, Page 19) 48			
49. Total (Add Lines 43 Through 48) (Enter on Line 2) 49			3816

SCHEDULE D — SUBTRACTIONS

50. Interest on U.S. Obligations 50			
51. Pension Exclusion (Complete Computation Below) 51			
52. Child and Dependent Care Expenses (See Instructions, Page 19) 52			
53. Use of Vehicle for Charitable Purposes (Attach Form 502 V) 53			
54. Income Received During Period of Nonresident Status 54			
55. Refunds of State and Local Income Taxes Written on Line 29 55			
56. Taxable Social Security and Railroad Retirement Benefits Included on Line 38 56			
57. Other (Specify) (See Instructions, Page 19) 57			
58. Total (Add Lines 50 Through 57) (Enter on Line 4) 58			

PENSION EXCLUSION COMPUTATION (For use only if 65 or over, or totally disabled — See Instructions, Page 19)

	COLUMN A		COLUMN B	
59. Net Taxable Pension and Retirement Annuity Included as Income in Federal Return 59	\$		\$	
60. Maximum Allowable Exclusion 60	\$	8500 00	\$	8500 00
61. Total Benefits Received Under the Social Security Act and/or the Railroad Retirement Act 61	\$		\$	
62. Tentative Exclusion (Subtract Line 61 from Line 60) 62	\$		\$	
63. Modification (Subtraction) to Federal Adjusted Gross Income (Line 59 or Line 62 Whichever is Less) Write the Amount on Line 51 63	\$		\$	

FORM
502 A

COMPTROLLER OF THE TREASURY
INCOME TAX DIVISION
ANNAPOLIS, MARYLAND 21411

**MARYLAND
ITEMIZED DEDUCTIONS**

1985

Name and Address of Taxpayer(s)

Social Security Number

RICHARD STOFER

219 128 1068

For Combined Separate Filing, use Column A and Column B, otherwise use Column B only.

		COLUMN A	COLUMN B
Medical and Dental Expenses (Do not include expenses reimbursed or paid by others.)	1 Prescription medicines and drugs; and insulin	1	
	2 a Doctors, dentists, nurses, hospitals, insurance premiums you paid for medical and dental care, etc.	2a	15313
	b Transportation and lodging	2b	
	c Other (list—include hearing aids, dentures, eyeglasses, etc.)		
	2c		
	3 Add lines 1 through 2c	3	15313
4 Multiply amount on Form 502, line 1, by 5% (.05)	4	7734	
5 Subtract line 4 from line 3. If line 4 is more than line 3, write zero	5	7579	
Taxes	6 State and local income Not a State Deduction	6	
	7 Real estate	7	3821
	8 a General sales (see Federal sales tax tables)	8a	1300
	b General sales on motor vehicles	8b	
	9 Other (list)	9	
	10 Add lines 6 through 9	10	5121
Interest Expense	11 a Home mortgage interest paid to financial institutions	11a	20051
	b Home mortgage interest paid to individuals (show that person's name and address) <u>POINT AMORTIZATION</u>		68
	11b <u>MORTGAGE INTEREST NOT DEDUCTIBLE ON RENTAL SCH.</u>	11b	23195
	12 Credit cards and charge accounts	12	376
	13 Other (list) <u>GRAND REVT. INT. ON TAXPMT, Pension loan int. OTHER LOANS AND FROM FORM 497</u>	13	20625
14 Add lines 11a through 13	14	64315	
Contributions	15 a Cash contributions. (If you gave \$3,000 or more to any one organization, report those contributions on line 15b.)	15a	160
	b Cash contributions totaling \$3,000 or more to any one organization. (Show to whom you gave and how much you gave.)	15b	
	16 Other than cash (attach required statement)	16	
	17 Carryover from prior year	17	
18 Add lines 15a through 17	18	160	
Casualty and Theft Losses	19 Total casualty or theft loss(es) (attach Federal Form 4684)	19	
Miscellaneous Deductions	20 Union and professional dues	20	
	21 Tax return preparation fee	21	
	22 Other (list) <u>BUSINESS PUBLICATIONS</u>	22	322
23 Add lines 20 through 22	23	322	
Summary of Itemized Deductions	24 Add lines 5, 10, 14, 18, 19 and 23. If you itemized deductions on your Federal return, enter this amount on line 28 of this form. Do not complete line 25	24	77497
	25 If you did not itemize on your Federal return and you checked Form 502 { Filing Status 1- Enter \$2390. Filing Status 2 or 5- Enter \$3540. Filing Status 3 or 4- Enter \$1770. }	25	NA
	26 Enter line 24 or 25, whichever is less	26	77497
	27 State Deduction: Artist's Contribution (Attach Schedule 502AC) ...	27	
	28 Total (Add line 26 and line 27)	28	77497
	29 Part year residents enter deductions during period of nonresident status	29	-
	30 Maryland itemized deductions (Line 28 less line 29). Enter in the appropriate column on Form 502, line 8	30	77497

FORM
502 TP

MARYLAND

19 85

COMPUTATION OF TAX PREFERENCE INCOME MODIFICATION

Attach To Your Tax Return

Name and Address of Taxpayer RICHARD SHOEFER Social Security No. 219 22 1068

216 ST DUNSTONS ROAD, BALTIMORE, MARYLAND 21212

Check Return Filed: 502 Resident 505 Nonresident 504 Fiduciary

Who must file: File this form if the total tax preference items (line 2) is more than \$10,000 (\$20,000 for a joint return).

1. TAX PREFERENCE ITEMS FROM FEDERAL FORM 6251

(a) All Savers Interest	
(b) Capital Gains	
(c) Accelerated depreciation on Real Property:	
(1) Low-Income Rental Housing under Sec. 167(k)	
(2) Other Nonrecovery Real Property or 15-year Real Property	9899
(d) Accelerated Depreciation on Leased Personal Property or Leased Recovery Property other than 15-year Real Property	7733
(e) Amortization of Certified Pollution Control Facilities	
(f) Mining Exploration and Development Costs	
(g) Circulation and Research and Experimental Expenditures	
(h) Reserves for Losses on Bad Debts of Financial Institutions	
(i) Depletion (Excluding Oil Percentage Depletion Allowance)	
(j) Incentive Stock Options	
(k) Intangible Drilling Costs	
2. Total Tax Preference Items (Add Lines 1(a) through (k))	17632
3. Exclusion. Enter \$10,000 (\$20,000 for a joint return)	10000
4. Subtract Line 3 from Line 2	7632
5. 50% of Line 4	3816
6. Taxable Tax Preference Items (Subtract Line 5 from Line 4) Enter on Line 53, Schedule C, Form 502, or Line 51, Schedule C, Form 505; or Line 42, Schedule 3, Form 504	3816

**Application for Extension of Time To File
 U.S. Individual Income Tax Return**

(See back for filing instructions. Be sure to complete all items.)

1985
59

Please type or print. File the original and one copy by the due date for filing your return.	Your first name and initial (if joint return, also give spouse's name and initial)	Last name	Your social security number
	<i>RICHARD</i>	<i>SHOFER</i>	<i>219-28-1068</i>
	Present home address (Number and street, including apartment number, or rural route)		Spouse's social security number
	<i>216 ST. DUNSTONS ROAD</i>		
	City, town or post office, state, and ZIP code		
	<i>BALTIMORE, MD. 21212</i>		

If you expect to file a gift tax return (Form 709 or Form 709-A) for 1985, generally due by April 15, 1986, check this box.

- I request an extension of time until *10/15*, 19 *86*, to file Form 1040A or Form 1040 for the calendar year 1985, or other tax year ending 19
- Were you previously granted an extension of time to file for this tax year? Yes No
- Previous extension granted to (date) *2/15/86*
- State in detail why you need an extension. *ADDITIONAL TIME IS REQUIRED TO COMPLETE THE INFORMATION NECESSARY FOR A COMPLETE & ACCURATE RETURN.*

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and, if prepared by someone other than the taxpayer, that I am authorized to prepare this form.

Signature of taxpayer ▶ _____ Date ▶ _____

Signature of spouse ▶ _____ Date ▶ _____

Signature of preparer other than taxpayer ▶ *Kenneth Clark CPA* Date ▶ *2/15/86*

IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant—To Be Completed by IRS

- We HAVE approved your application. (Please attach this form to your return.)
- We HAVE NOT approved your application. (Please attach this form to your return.)
 However, because of your reasons stated above, we have granted a 10-day grace period from the date shown below or due date of your return, whichever is later. This grace period is considered to be a valid extension of time for elections otherwise required to be made on returns filed on time.
- We HAVE NOT approved your application. After considering your reasons stated above, we cannot grant your request for an extension of time to file. (We are not granting the 10-day grace period.)
- We cannot consider your application because it was filed after the due date of your return.
- Other

go

 Date

Joseph P. ...
 Director
 PHILA., PA.

If the copy of this form is to be returned to you at an address other than that shown on page 1, or to an agent acting for you, please enter the name of the agent and/or the address where the copy should be sent.

Please Type or Print	Name BRADSHAW, NEWMAN & CO., P.A.
	Number and street SUITE 350, THE QUADRANGLE
	City, town or post office, state, and ZIP code THE VILLAGE OF CROSS KEYS BALTIMORE, MARYLAND 21210

Note:

- A. You may not choose to have IRS figure your income tax if you file your return after the regular due date.
B. This is not an extension of time to pay tax. You will be charged a penalty for late payment of tax unless you show reasonable cause for not paying the tax when due.

General Instructions

Paperwork Reduction Act Notice.— We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose of Form.—Use Form 2688 to ask for an additional extension of time to file Form 1040A or Form 1040 if you have already filed Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return, to get an automatic 4-month extension of time, but still need more time. Except in cases of undue hardship, do not file Form 2688 unless you have first filed Form 4868.

You must file Form 2688 on time and show reasonable cause why you cannot file your return within the 4-month extension period allowed by properly filing Form 4868. Generally, we will consider your application based on your efforts to meet the filing requirements, rather than on the convenience of your tax return preparer. However, if your tax return preparer is not able to complete the return by the due date for reasons beyond his or her control, or if in spite of reasonable efforts you cannot get professional help in time to file, we will generally grant the additional extension.

Note: Any extension of time granted for filing your 1985 calendar year income tax return also extends the time for filing a gift tax return for 1985.

Filing Form 2350.—If you are a U.S. citizen or resident alien living abroad who expects to qualify for special tax treatment, file Form 2350, Application for Extension of Time To File U.S. Income Tax Return, to ask for an extension of time to file your Form 1040. See Publication 54, Tax Guide for U.S. Citizens and Resident Aliens Abroad, for more information.

Period of Extension.—We cannot grant an extension of more than 6 months if you live in the United States. The 6-month extension period granted includes the 4 months granted if Form 4868 was previously filed.

When to File.—File Form 2688 by the due date of your return (April 15, 1986, for a 1985 calendar year return), or extended due date if Form 4868 was previously filed. U.S. citizens and resident aliens living or traveling outside the United States and Puerto Rico on the due date of their return are automatically allowed a 2-month extension (to June 15 for a calendar year return).

File early enough so that we will have time to act on your application before your return's regular or extended due date.

Where to File.—File the original and one copy of Form 2688 with the Internal Revenue Service Center where you are required to file your return.

Penalties.—You may be charged one or both of the following penalties.

Late payment penalty.—Form 2688 does not extend the time to pay income or gift tax. A penalty of 1/2 of 1% of any tax (other than estimated tax) not paid by the regular due date is charged for each month, or part of a month, that the tax remains unpaid, unless you can show reasonable cause for not paying on time. The penalty is limited to 25%.

Late filing penalty.—A penalty is charged if your return is filed after the due date (including extensions) unless you can show reasonable cause for filing late. The penalty is 5% of the tax not paid by the regular due date for each month, or part of a month, that your return is late. The penalty is limited to 25%. If your return is more than 60 days late, the penalty will not be less than \$100 or the balance of tax due on your return, whichever is smaller.

Interest.—Interest is charged on the tax not paid by the regular due date of your return until it is paid. It will be charged even if you have been granted an extension, or if you can show reasonable cause for not paying the tax on time.

Line-by-Line Instructions

At the top of this form, fill in the spaces for your name, address, social security number, and spouse's social security number if you are filing a joint return. If you expect to file a gift tax return (Form 709 or Form 709-A) for 1985, check the box on the front of this form.

Line 4.—Clearly describe the reasons that will cause your delay in filing your return. We cannot accept incomplete reasons, such as "illness" or "practitioner too busy," without adequate explanations. If it is clear that an application was made for no important reason, but only to gain time, both the application and the 10-day grace period will be denied.

If, because of undue hardship, you use this form to ask for an extension of time beyond the regular due date of your return, clearly explain your reasons and attach all supporting information to the form.

Caution: If an extension is granted and the IRS later determines that the statements made on this form are false and misleading, the extension is null and void. You will be subject to the late filing penalty, explained above.

Signature by Taxpayers.—Generally, both spouses must sign this form for the extension to be valid if a joint return is to be filed. But if one spouse cannot sign because of illness, absence, or other good cause, the other spouse may sign for both, provided a proper explanation is attached explaining why that spouse cannot sign this form.

Signature by Other than Taxpayer.—Persons who may sign for the taxpayers include attorneys or certified public accountants qualified to practice before the IRS, enrolled agents, or any person holding a power of attorney. If the taxpayer cannot sign because of illness, absence, or other good cause, a person in close personal or business relationship to the taxpayer may sign provided a proper explanation is attached as to why the taxpayer cannot sign this form. It is not necessary that such person hold a power of attorney.

How to Claim Credit for Payment Made With This Form.—If you file Form 1040A and are making a payment with Form 2688, include the amount of the payment in the total on Form 1040A, line 25. Also write "Form 2688" and the amount paid in the space to the left of line 25. If you file Form 1040 and are making a payment with Form 2688, include the amount of the payment on Form 1040, line 60. Also write "Form 2688" and the amount paid in the space to the left of line 60.

HARVEY M. NEWMAN, CPA
GERALD L. GRABUSH, CPA
BARRY B. BONDROFF, CPA
PHILIP I. MATZ, CPA
NORMAN N. POLONSKY, CPA
KENNETH E. LARASH, CPA
ALLEN M. SCHIFF, CPA

Grabush, Newman & Co., P.A.
Certified Public Accountants

Office of the Comptroller
Income Tax Division
State Income Tax Building
Annapolis, Maryland 21401

Re: *RICHARD SHOFR*
219-28-1068

Gentlemen:

An additional extension of time until October 15, 1986 is hereby requested in order to file Form 502 for the year 1985 for the above mentioned taxpayer.

Federal Form 2688 is attached.

Sincerely,

GRABUSH, NEWMAN & CO., P.A.

Kenneth E. Larash CPA 8/14/86

**Application for Automatic Extension of Time
 To File U.S. Individual Income Tax Return**

Please Type or Print	Your first name and initial (if joint return, also give spouse's name and initial)	Last name	Your social security number
	Present home address (Number and street, including apartment number, or rural route)		Spouse's social security no.
	City, town or post office, state, and ZIP code		

RICHARD SHOPER
 216 ST. DUNSTONS RD
 BALTIMORE MARYLAND 21212

Note: File this form with the Internal Revenue Service Center where you must file your income tax return and pay the amount shown on line 6 below. This is not an extension of time for payment of tax. You will be charged a penalty for late payment of tax and late filing unless you show reasonable cause for not paying or filing on time (see instructions).

If you expect to file a gift tax return (Form 709 or Form 709-A) for 1985, generally due by April 15, 1986, check this box I request an automatic 4-month extension of time to August 15, 1986, to file Form 1040A or Form 1040 for the calendar year 1985 (or if a fiscal year Form 1040 to _____, 19 _____, for the tax year ending _____, 19 _____).

1	Total income tax liability for 1985. (You may estimate this amount.) Note: You must enter an amount on line 1. If you do not expect to owe tax, enter zero (0).	1	- 0 -
2	Federal income tax withheld	2	17000
3	1985 estimated tax payments (include 1984 overpayment allowed as a credit)	3	
4	Other payments and credits you expect to show on Form 1040A or Form 1040. CO-OP DIV. CASHIERS RECEIVED	4	
5	Add lines 2, 3, and 4	5	17000
6	Income tax balance due (subtract line 5 from line 1). Pay in full with this form (if the balance is more than line 1, enter zero (0)).	6	NONE
7	Total gift tax you expect to owe for 1985 (see instructions)	7	NONE

If you send only one check for both income and gift tax due, attach a statement showing how much of the check applies to each type of tax.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and, if prepared by someone other than the taxpayer, that I am authorized to prepare this form.

Signature of taxpayer _____ Date _____

Signature of spouse _____ Date _____
 (If filing jointly, BOTH must sign even if only one had income)

Signature of preparer other than taxpayer Nancy Edwards Date 4/15/86

General Instructions

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose of Form.—Use Form 4868 to ask for an automatic 4-month extension of time to file Form 1040A or Form 1040. The 4-month extension period includes the automatic 2-month extension granted to U.S. citizens and resident aliens who are

living or traveling outside the United States and Puerto Rico on the due date for filing their returns. Do not file this form if:

- You want the IRS to figure your tax, or
- You are under a court order to file your return by the regular due date.

The extension will be granted if you complete this form properly, file it on time, and pay with it the amount of tax shown on line 6. We will notify you only if your request for an extension is denied.

Note: Any extension of time granted for filing your 1985 calendar year income tax return also extends the time for filing a gift tax return for 1985.

Filing Form 2688.—Except in cases of undue hardship, we will not accept Form 2688, Application for Extension of Time To File U.S. Individual Income Tax Return, until you have first used Form 4868.

If you have filed Form 4868 and still need more time, use Form 2688 or write a letter of explanation. You must show reasonable cause. Send Form 2688 or the letter to the Internal Revenue Service Center where you file your Form 1040A or Form 1040. (See Where to File.)

If you need a further extension, ask for it early so that, if denied, you can still file your return on time.

HARVEY M. NEWMAN, CPA
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NORMAN N. POLONSKY, CPA
KENNETH E. LARASH, CPA
ALLEN M. SCHIFF, CPA

Grabush, Newman & Co., P.A.
Certified Public Accountants

Office of the Comptroller
Income Tax Division
State Income Tax Building
Annapolis, Maryland 21401

Re: *Richard Shofee*
219-28-1068

Gentlemen:

An extension of time until August 15, 1986 is hereby requested in order to file Form 502 for the year 1985 for the above referenced taxpayer.

Federal Form 4868 is attached. *A check for \$3,500.00 is attached*

Sincerely,

GRABUSH, NEWMAN & CO., P.A.

Harvey Newman 4/15/86

EXTENSION APPROVED

APR 30 1986

AMMENDED INCOME TAX RETURN

RICHARD SHOFER

1985

PENGAD-Bayonne, N. J.
11-58
**JOINT
EXHIBIT**
13
Wed

PENGAD-Bayonne, N. J.
**PLAINTIFF'S
EXHIBIT**
NO. 13 *Wed*

PENGAD-Bayonne, N. J.
**DEPOSITION
EXHIBIT**
Shofer #1-H

Amended U.S. Individual Income Tax Return

This return is for calendar year **1985**, OR fiscal year ended **19**

Please print or type	Your first name and initial (if joint return, also give spouse's name and initial) RICHARD	Last name SHOFER	Your social security number 219-28-1068
	Present home address (number and street or rural route). (If you have a P.O. Box, see Instructions.) 216 ST. DUNSTONS RD		Spouse's social security number (1933-14-42)
	City, town or post office, state, and ZIP code BALTIMORE MD 21212		Telephone number (optional)

Enter below name and address as shown on original return (if same as above, write "Same"). If changing from separate to joint return, enter names and addresses used on original returns. (Note: You cannot change from joint to separate returns after the due date has passed.)

SAME

a Service center where original return was filed **PHILADELPHIA**

b Has original return been changed or audited by IRS? Yes No
If "No," have you been notified that it will be? Yes No
If "Yes," identify IRS office

c Are you amending your return to include any item (loss, credit, deduction, other tax benefit, or income) relating to a tax shelter required to be registered? Yes No
If "Yes," you MUST attach Form 8271, Investor Reporting of Tax Shelter Registration Number.

d Filing status claimed. (Note: You cannot change from joint to separate returns after the due date has passed.)

On original return	<input type="checkbox"/> Single	<input type="checkbox"/> Married filing joint return	<input type="checkbox"/> Married filing separate return	<input checked="" type="checkbox"/> Head of household	<input type="checkbox"/> Qualifying widow(er)
On this return	<input type="checkbox"/> Single	<input type="checkbox"/> Married filing joint return	<input type="checkbox"/> Married filing separate return	<input checked="" type="checkbox"/> Head of household	<input type="checkbox"/> Qualifying widow(er)

Income and Deductions		A. As originally reported or as adjusted (see instructions)	B. Net change—Increase or (Decrease)—explain on page 2	C. Correct amount
1	Total income (see Instructions)	154674	76600	231274
2	Adjustments to income (see Instructions)			
3	Adjusted gross income (subtract line 2 from line 1)	154674	76600	231274
4	Deductions (see Instructions)	81852	(3830)	78022
5	Subtract line 4 from line 3	72822	80430	153252
6	Exemptions (see Instructions)	3120	-	3120
7	Taxable income (subtract line 6 from line 5)	69702	80430	150132
8	Tax (see Instructions). (Method used in col. C. <i>Schedule (F)</i>)	21067	36914	58734
9	Credits (see Instructions)	4161	-	4161
10	Subtract line 9 from line 8. Enter the result, but not less than zero	16906	36914	54573
11	Other taxes (such as self-employment tax, alternative minimum tax)	2829	(2829)	-
12	Total tax liability (add line 10 and line 11)	19735	34085	54573
13	Federal income tax withheld and excess FICA and RRTA tax withheld	17000	-	17000
14	Estimated tax payments			
15	Earned income credit			
16	Credits for Federal tax on gasoline and special fuels, regulated investment company, etc.			
17	Amount paid with Form 4868, Form 2688, or Form 2350 (application for extension of time to file)			
18	Amount paid with original return, plus additional tax paid after it was filed			2735
19	Total of lines 13 through 18, column C.			19735

Refund or Amount You Owe

20 Overpayment, if any, as shown on original return (or as previously adjusted by IRS)

21 Subtract line 20 from line 19 (see Instructions)

22 **AMOUNT YOU OWE.** If line 19 is more than line 21, enter difference. Please pay in full with this return.

23 **REFUND** to be received if line 22, column C, is less than line 21, enter difference.

Please Sign Here

Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

Your signature	Date	Spouse's signature (if filing jointly, BOTH must sign)	Preparer's signature	Date	Check if self-employed	Preparer's social security no.
<i>Richard Shofer</i>	12/9/87		<i>Kenneth Edwards</i>	12/9/87	<input type="checkbox"/>	214-50-8023
Firm's name (or yours, if self-employed) and address	E.I. No.	ZIP code	GRABUSH, NEWMAN & CO., P.A., CPA's BALTIMORE, MARYLAND 21210 E.I. No. 52-1134882			

Part I Exemptions (see Form 1040 or Form 1040A Instructions) If claiming more exemptions, complete lines 1-9. If claiming fewer exemptions, complete lines 1-6.		A. Number originally reported	B. Net change	C. Correct number
1	Exemptions—yourself and spouse, 65 or over, blind	1		1
2	Your dependent children who lived with you	2		2
3	For tax years beginning after 1984, your dependent children who did not live with you			
4	Other dependents			
5	Total exemptions (add lines 1 through 4)	3		3
6	Multiply \$1,080 (\$1,040, for tax year 1985; \$1,000, for tax years beginning before 1985) by the number of exemptions claimed on line 5. Enter the result here and on page 1, line 6	3120		3120
7	First names of your dependent children who lived with you and were not claimed on original return:			Enter number ▶ <input type="checkbox"/> NA
8	For tax years beginning after 1984, first names of your dependent children who did not live with you and were not claimed on original return (see Instructions). (If pre-1985 agreement, check here <input type="checkbox"/>)			Enter number ▶ <input type="checkbox"/> NA
9	Other dependents not claimed on original return:	(c) Number of months lived in your home	(d) Did dependent have income of at least \$1,080 (\$1,040, for tax year 1985; \$1,000, for tax years beginning before 1985)?	(e) Did you provide more than one-half of dependent's support?
	(a) Name	(b) Relationship		
				Enter number ▶ <input type="checkbox"/> NA

Part II Explanation of Changes to Income, Deductions, and Credits
 Enter the line number from page 1 for each item you are changing and give the reason for each change. Attach all supporting forms and schedules for items changed. Be sure to include your name and social security number on any attachments.
 If the change pertains to a net operating loss carryback, a general business credit carryback, or for tax years beginning before 1986, a research credit carryback, attach the schedule or form that shows the year in which the loss or credit occurred. See the Instructions. Also, check here

LINE 4 CHANGE \$76600 - INCOME DUE TO LOAN FROM PENSION PLAN CONSIDERED TO BE DISTRIBUTION, AND THEREFORE TAXABLE

LINE 4 CHANGE - MEDICAL EXPENSE IN EXCESS OF 5% OF AGI HAS ACCORDINGLY DECREASED AS FOLLOWS:

	ORIGINAL	AMENDED	DIFFERENCE
MEDICAL EXPENSE	15313	15313	
5% OF AGI	7734	11564	
ITEMIZED DEDUCTION	7579	3749	3830

LINE 11 CHANGE - A.M.T. NO LONGER APPLICABLE (schedule attached)

Part III Presidential Election Campaign Fund
 Checking below will not increase your tax or reduce your refund.

If you did not previously want to have \$1 go to the fund, but now want to Check here ▶

If joint return and if spouse did not previously want to have \$1 go to the fund, but now wants to Check here ▶

▶ See Instructions on back. ▶ Attach to Form 1040.

Name(s) as shown on Form 1040

RICHARD SHOFER

Your social security number

219 28 1068

Step 1 Add your income from 1982—1984

1982	1	Fill in the amount from your 1982 Form 1040 (line 37), Form 1040A (line 16), or Form 1040EZ (line 7). If less than zero, enter zero	1	10967
1983	2	Fill in the amount from your 1983 Form 1040 (line 37), Form 1040A (line 19), or Form 1040EZ (line 7). If less than zero, enter zero	2	24467
1984	3	Fill in the amount from your 1984 Form 1040 (line 37), Form 1040A (line 19), or Form 1040EZ (line 7). If less than zero, enter zero	3	135653
Total	4	Fill in all income less deductions earned outside of the U.S. or within U.S. possessions and excluded for 1982 through 1984 (include housing exclusion)	4	-
	5	Add lines 1 through 4	5	171087

Step 2 Figure your averageable income

		6 Divide the amount on line 5 by three (3)	6	57029
		7 Multiply the amount on line 6 by 140% (1.4)	7	79841
		8 Fill in your taxable income for 1985 from Form 1040, line 37	8	150132
		9 If you received a premature or excessive distribution subject to a penalty under section 72, see instructions	9	-
		10 Subtract line 9 from line 8	10	150132
		11 If you live in a community property state and are filing a separate return, see instructions	11	-
		12 Subtract line 11 from line 10. If less than zero, enter zero	12	150132
		13 Write in the amount from line 7 above	13	79841
		14 Subtract line 13 from line 12. This is your averageable income. If this line is \$3,000 or less, do not complete the rest of this form	14	70291

Step 3 Figure your tax

		15 Multiply the amount on line 14 by 25% (.25)	15	17573
		16 Write in the amount from line 7 above	16	79841
		17 Add lines 15 and 16	17	97414
		18 Write in the amount from line 11 above	18	-
		19 Add lines 17 and 18	19	97414
		20 Tax on amount on line 19 (from Tax Rate Schedule X, Y, or Z)	20	33906
		21 Tax on amount on line 17 (from Tax Rate Schedule X, Y, or Z)	21	33906
		22 Tax on amount on line 16 (from Tax Rate Schedule X, Y, or Z)	22	25630
		23 Subtract line 22 from line 21	23	8276
		24 Multiply the amount on line 23 by 3 <i>If you have no entry on line 9, skip lines 25 through 27 and go to line 28.</i>	24	24828
		25 Tax on amount on line 8 (from Tax Rate Schedule X, Y, or Z)	25	
		26 Tax on amount on line 10 (from Tax Rate Schedule X, Y, or Z)	26	
		27 Subtract line 26 from line 25	27	
		28 Add lines 20, 24, and 27. Write the result here. If it is less than the tax figured from the tax rate schedules or tax table, also write the result on Form 1040, line 38, and check the Schedule G box	28	58734

Alternative Minimum Tax Computation

1985
32

▶ Attach to Forms 1040, 1040NR, 1041 or 990-T (Trust).

Name(s) as shown on tax return

RICHARD SHOFER

Identifying number

219-28-1068

1 Adjusted gross income from Form 1040, line 33 or Form 1040NR, line 32 (see instructions)		1	231274
2 Deductions (see instructions):			
a (1) Medical and dental expense from Schedule A, line 5	2a(1) 3749		
(2) Multiply Form 1040, line 33 by 5% (.05)	2a(2) 11564		
(3) Subtract line 2a(2) from line 2a(1). (If zero or less, enter zero)	2a(3) —		
b Contributions from Schedule A, line 18	2b 160		
c Casualty and theft losses from Schedule A, line 19	2c		
d Qualified interest on property used as a residence from Schedule A, line 11	2d 43314		
e (1) Interest, other than line 2d above, from Schedule A, line 14	2e(1) 21001		
(2) Net investment income (If zero or less, enter zero)	2e(2) 155		
(3) Enter the smaller of line 2e(1) or line 2e(2)	2e(3) 155		
f Gambling losses to the extent of gambling winnings from Schedule A, line 22	2f		
g Estate tax allowable under section 691(c) from Schedule A	2g		
h Estates and trusts only: Charitable deduction and income distribution deduction	2h		
i Add lines 2a(3), b, c, d, e(3), f, g, and h		2i	43629
3 Subtract line 2i from line 1		3	187645
4 Tax preference items:			
a Dividend exclusion	4a		
b 60% capital gain deduction	4b		
c Accelerated depreciation on nonrecovery real property or 15 (or 18)-year real property	4c 9899		
d Accelerated depreciation on leased personal property or leased recovery property other than 15 (or 18)-year real property	4d 7733		
e Amortization of certified pollution control facilities	4e		
f Mining exploration and development costs	4f		
g Circulation and research and experimental expenditures	4g		
h Reserves for losses on bad debts of financial institutions	4h		
i Depletion	4i		
j Incentive stock options	4j		
k Intangible drilling costs	4k		
i Add lines 4a through 4k		4l	17632
5 Alternative minimum taxable income (add lines 3 and 4(l)) (short period returns, see instructions)		5	205277
6 Enter: \$40,000, if married filing joint return or Qualifying widow(er)		6	30000
\$30,000, if single or head of household			
\$20,000, if married filing separate return or estate or trust			
7 Subtract line 6 from line 5. If zero or less, do not complete the rest of this form		7	175277
8 Enter 20% of line 7		8	35055
9 Amount from Form 1040, line 50, or Form 1040NR, line 51. (Do not include Form 1040, line 39, or Form 1040NR, line 41.) (estates and trusts, see instructions)		9	53820
10 Subtract line 9 from line 8. If zero or less, enter zero		10	—
11 Foreign tax credit		11	—
12 Alternative minimum tax (subtract line 11 from line 10). Enter on Form 1040, line 52, Form 1040NR, line 52, Form 1041, line 31, or Form 990-T, page 1, line 14.		12	—

Instructions

(Section References are to the Internal Revenue Code)

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Who Must File.—File this form if: (a) You are liable for the alternative minimum tax; or (b) you have one or more tax preference items on lines 4c through 4k; or (c) you have an amount on line 2e(3), and line 2e(2) includes income other than interest and dividend income.

Individuals, estates or trusts may be liable if their adjusted gross income plus tax preference items listed on line 4 total more than line 6.

For more information, see Publication 909, Alternative Minimum Tax.

Minimum Tax Deferred From Earlier Year(s).—If a net operating loss carryover from an earlier year(s) reduces taxable income for 1985, and the net operating loss giving rise to the carryover resulted in the deferral of minimum tax in that earlier year(s), all or part of the deferred minimum tax may be includable as tax liability for 1985. Figure the deferred minimum tax in the worksheet in Publication 909 and enter it on Form 1040, line 52, or Form 1041, line 31. Write "Deferred Minimum Tax."

Partners, Beneficiaries, etc.—If you are a:

(1) Partner or shareholder of an S corporation, take into account separately your distributive share of items of income and deductions that

enter into the computation of tax preference items.

(2) Beneficiary of an estate or trust, see section 58(c).

(3) Participant in a common trust fund, see section 58(e).

(4) Shareholder or holder of beneficial interest in a regulated investment company or a real estate investment trust, see section 58(f).

Carryback and Carryover of Unused Credits.—It may be necessary to figure the carryback or carryover of certain unused credits. See section 55(c)(3).

Note: If you have an earned income credit, you must reduce that credit by any alternative minimum tax.

(Continued on back)

502X

AMENDED MARYLAND INCOME TAX RETURN

This return is for calendar year 1985

RESIDENT Or Fiscal Year Beginning 19...., Ending 19....

First Name and initial (If joint return, use first names and middle initials of both) RICHARD		Last Name SHOFER		IMPORTANT — To expedite processing: If you received a refund on your original return, indicate in the box below, the account number printed on the refund check, if known. If a balance was paid with the original return, indicate the account number stamped in the upper right corner of the face of your cancelled remittance.	
PRESENT Address (Number and Street or Rural Route) 216 ST. DUNSTAN RD			Your Social Security Number 219 28 1068		
Post Office BALTIMORE	County —	State MD	Zip Code 21212	Spouse's Social Security Number	
County		City, Town, or Taxing Area BALTIMORE CITY		ACCOUNT NUMBER	
				For Information Phone Annapolis 269-3116	

THIS FORM CONSTITUTES A NEW TAX RETURN. ENTER YOUR CORRECT TOTAL AMOUNTS (INCOME, DEDUCTIONS, WITHHOLDING CREDIT, ETC.) ON THIS FORM.

A. YOUR FILING STATUS

1. Single

2. Married filing joint return or spouse had no income

3. Married filing combined, separate returns on this form

4. Married filing separately

5. Qualifying widow(er) with dependent child

B. Is an amended Federal return being filed? Yes No

C. Has your original Federal return been changed or corrected by the Internal Revenue Service? Yes No

D. Has the Maryland Income Tax Division advised you that your original return is being audited or corrected? Yes No

EXEMPTIONS

REGULAR 65 OR OVER BLIND

YOURSELF ENTER NUMBER CHECKED (A)

SPOUSE

FIRST NAMES OF DEPENDENT CHILDREN
ANDY DAVID

ENTER NUMBER (B) 2

OTHER EXEMPTIONS ALLOWED BY MARYLAND

NAME RELATIONSHIP REGULAR 65 OR OVER

ENTER NUMBER CHECKED (C)

TOTAL EXEMPTIONS (Add A, B and C) 3

In combined separate returns, number of exemptions claimed in Column A Column B

	COLUMN A	COLUMN B
1. Federal Adjusted Gross Income (From Line 36 Schedule A Page 2)		231274
2. Additions (From Line 55 Schedule C Page 2)		3816
3. Total (Add Lines 1 and 2)		235090
4. Subtractions (From Line 62 Schedule D Page 2)		
5. Total Maryland Adjusted Gross Income (Subtract Line 4 from Line 3)		235090
6. TAX TABLE — Pages 21-24 of Instructions. Check here, Skip Lines 7-11, Enter Tax on Line 12 <input type="checkbox"/>		
or 7. If you Use the Standard Deduction, Check here and Enter 13% of Line 5 not to exceed: \$1500 per Taxpayer for FILING STATUS 1, 3, 4, and 5 or \$3000 for FILING STATUS 2 <input type="checkbox"/>		73667
or 8. If you Itemize Deductions, Check here and Enter Total Deductions (Line 49, Schedule B Page 2) <input checked="" type="checkbox"/>		161423
9. Net Income (Subtract Line 7 or Line 8 from Line 5)		2400
10. Number of Exemptions X \$800 (Prorate according to number of months covered by the return)		759023
11. Taxable Net Income (Subtract Line 10 from Line 9. Do not use tables. Use Rate Schedule R)		7891
12. Maryland Tax (From Table, or as computed by Tax Rate Schedule R when Lines 7 through 11 are used)		3946
13. Local Income Tax (See original return for percentage) Enter <u>50</u> % of Line 12		11837
14. Total Maryland and Local Income Tax (Add Lines 12 and 13)		1208
15. Total Maryland Tax Withheld		3500
16. 1985 Estimated Tax Payments and Payment Made with an Extension Request		
17. Credit for Income Tax Paid Another State (From Form 502 CR)		
18. Credit for Maryland (State Only) Personal Property Tax Paid (From Form 502 CR)		
19. Total Payments and Credits (Add Lines 15 through 18)		4708
20. Balance Due (If Line 14 Exceeds Line 19)		7129
21. Overpayment (If Line 14 is Less Than Line 19)		
22. Combined Balance Due		7129
23. Combined Overpayment		
24. Balance Due or Paid on Original Return		1097
25. Refund per Original Return		
Net <input type="checkbox"/> Refund or <input checked="" type="checkbox"/> Balance Due		6032

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge.

Make checks payable to and mail to:

COMPTROLLER OF THE TREASURY
INCOME TAX DIVISION
ANNAPOLIS, MARYLAND 21401

Signature of Preparer Other Than Taxpayer _____ Date _____

Spouse's Signature and Date (If filing jointly, or combined separate, BOTH must sign)
GRABUSH, NEWMAN & CO., P.A., CPAs
BALTIMORE, MARYLAND 21210
Address 2118 ELLIOTT ST. Date _____

CLIENT'S COPY

SCHEDULE A — INCOME AND ADJUSTMENTS FROM FEDERAL RETURN

	COLUMN A	COLUMN B	COLUMN C
26. Wages, Salaries, Tips, etc.			200000
27. Interest			15
28. Dividends			
29. Business Income or (Loss)			
30. Capital Gain or (Loss)			(3000)
* 31. Pensions & Annuities, Rents & Royalties, Partnerships, Estates or Trusts, etc. (circle appropriate items)			34119
32. Farm Income or (Loss)			
33. Miscellaneous Sources			
34. Total Income (Add Lines 26 Through 33)			231274
35. Adjustments To Income (Total Adjustments to Income from Federal Return)			
36. Adjusted Gross Income (Subtract Line 35 from Line 34) (Enter on Page 1, Line 1)			231274

SCHEDULE B — ITEMIZED DEDUCTIONS AND MARYLAND ADJUSTMENTS
(If from Maryland Form 502A, Complete only Lines 45 through 49)

If columns A and B are used and it is not possible to distinguish deductions between spouses, allocate in accordance with income.

37. Medical and Dental Expense			3749
38. Taxes			11866
39. Interest			64315
40. Contributions			160
41. Casualty or Theft Losses			-
42. Miscellaneous			322
43. Total Itemized Deductions (Add Lines 37 Through 42)			80412
44. Enter State and Local Income Taxes Included on Line 38			6745
45. Net Deductions (Subtract Line 44 from Line 43)			73667
46. State Deduction: Artist's Contribution (Attach Schedule 502 AC)			
47. Total (Add Lines 45 and 46)			73667
48. Less Deductions During Period of Nonresident Status			
49. Total Maryland Deductions (Subtract Line 48 from Line 47) (Enter on Page 1, Line 8)			73667

MODIFICATIONS TO FEDERAL ADJUSTED GROSS INCOME

SCHEDULE C — ADDITIONS

50. Federal Deduction for Two-Earner Married Couples			
51. Interest on State and Local Obligations Other Than Maryland			
52. Dividend Exclusion (From Federal Return)			
53. Taxable Tax Preference Items (Attach Form 502 TP)			3816
54. Other (Specify) (See Instructions)			
55. Total (Add Lines 50 Through 54) (Enter on Page 1, Line 2)			3816

SCHEDULE D — SUBTRACTIONS

56. Interest on U.S. Obligations			
57. Pension Exclusion (Complete Computation Below)			
58. Child and Dependent Care Expenses (See Instructions, Page 19)			
59. Use of Vehicle for Charitable Purposes (Attach Form 502 V)			
60. Income Received During Period of Nonresident Status			
61. Other (Specify) (See Instructions, Page 19)			
62. Total (Add Lines 56 Through 61) (Enter on Page 1, Line 4)			

PENSION EXCLUSION COMPUTATION (For use only if 65 or over, or totally disabled — See Instructions, Page 19)

	COLUMN A	COLUMN B
63. Net Taxable Pension and Retirement Annuity Included as Income in Federal Return	\$	\$
64. Maximum Allowable Exclusion from original return	\$	\$
65. Benefits Received Under the Social Security Act and/or the Railroad Retirement Act	\$	\$
66. Tentative Exclusion (Subtract Line 65 from Line 64)	\$	\$
67. Modification (Subtraction) to Federal Adjusted Gross Income (Line 63 or Line 66 Whichever is Less) Show Amount on Schedule D Line 57 Above	\$	\$

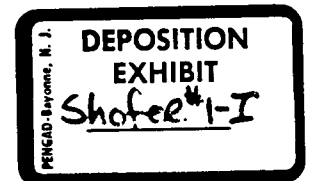
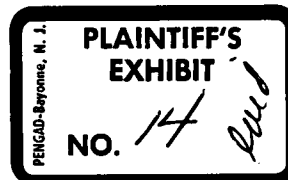
EXPLANATION OF CHANGES to Income, Deductions, and Credits. Show computations in detail. Attach another sheet, if needed.

* ADDITIONAL INCOME OF \$76600 - LOAN FROM PENSION PLAN RE-CHARACTERIZED AS A TAXABLE DISTRIBUTION

INCOME TAX RETURNS

RICHARD SHOFER

1986



1 Control number		OMB No. 1545-0008		Notice to Employee	
2 Employer's name, address, and ZIP code Catalina Enterprises, Inc. t/a Crown Motors 5006 Liberty Heights Avenue Baltimore, Maryland 21207			3 Employer's identification number 52-0820445	4 Employer's state I.D. number 187544-6	
8 Employee's social security number 219-28-1068			9 Federal income tax withheld 16,000.00		5 Statutory employee <input type="checkbox"/> Deceased <input type="checkbox"/> Legal rep. <input type="checkbox"/> 942 emp. <input type="checkbox"/> Subtotal <input type="checkbox"/> Other <input type="checkbox"/> Void <input type="checkbox"/>
12 Employee's name, address, and ZIP code Richard Shofer 216 St. Dunstons Road Baltimore, Maryland 21212			6 Allocated tips 200,000.00	7 Advance EIC payment	
			10 Wages, tips, other compensation 200,000.00	11 Social security tax withheld 3003.00	
			13 Social security wages 42,000.00	14 Social security tips -0-	
			16	16a Fringe benefits incl. in Box 10	
17 State income tax 1000.00		18 State wages, tips, etc. 200,000.		19 Name of state Md.	
20 Local income tax		21 Local wages, tips, etc.		22 Name of locality	

Form W-2 Wage and Tax Statement 1986

Copy C For EMPLOYEE'S RECORDS
This information is being furnished to the Internal Revenue Service. Department of the Treasury Internal Revenue Service.

1040 U.S. Individual Income Tax Return 1986

For the year January 1-December 31, 1986, or other tax year beginning 1986, ending 19

Line 1: Your first name and initial (if joint return, also give spouse's name and initial) RICHARD SHOEFER; Last name SHOEFER; Your social security number 219 28 1068; Present home address (number and street or rural route). (If you have a P.O. Box, see page 4 of instructions.) 216 ST. DUNSTONS RD; City, town or post office, state, and ZIP code BALTIMORE MARYLAND 21212; If this address is different from the one shown on your 1985 return, check here

Presidential Election Campaign: Do you want \$1 to go to the Democratic candidate? [checked]; Do you want \$1 to go to the Republican candidate? [checked]

Filing Status: Check only one box. [checked] Married (joint return) (even if only one spouse); [checked] Married (separate returns) (even if only one spouse); [checked] Head of household (must be a qualifying person); [] Single; [] Qualifying widow(er) with dependent child (year spouse died)

Exemptions: Always check the box labeled Yourself. Check other boxes if they apply. 6a [checked] Yourself; 6b [] Spouse; 6c First names of all dependent children who lived with you ANDY; 6d First names of your dependent children who did not live with you; 6e Other dependents; 6f Total number of exemptions claimed (also complete line 7) 2

Income: Please attach Copy B of your Forms W-2, W-2G, and W-2P here. If you do not have a W-2, see page 4 of instructions. Please attach check or money order here. 7 Wages, salaries, tips, etc. (attach Form(s) W-2) 20000; 8 Interest income (also attach Form 1099-B if over \$400) 124; 9a Dividends (also attach Schedule B if over \$400) 1164; 9b Subtract line 9a from line 9 and enter the result 1164; 10 Taxable refunds, state and local income tax credits, etc. (attach Form 1098); 11 Alimony received; 12 Business income or loss (attach Schedule C); 13 Capital gain or loss (attach Schedule D); 14 Dividend capital gain distributions not reported on line 9a; 15 Other gains or losses (attach Form 4797); 16 Fully taxable portions of IRA distributions (attach Form 1099-R); 17a Other distributions and annuities including rollovers (attach Form 1099-R); 17b Taxable amount, if any, from the worksheet on page 10 of instructions; 18 Rents, royalties, partnerships, estates, trusts, etc. (attach Form 1099); 19 Farm income or loss (attach Schedule F); 20a Unemployment compensation (insurance). Total received; 20b Taxable amount, if any, from the worksheet on page 10 of instructions; 21a Social security benefits (see page 10). Total received; 21b Taxable amount, if any, from worksheet on page 11 of instructions; 22 Other income (list type and amount; see page 11 of instructions); 23 Add the amounts shown in the far right column for lines 7 through 22. This is your total income 190154

Adjustments to Income: (See Instructions on page 11.) 24 Moving expenses (attach Form 3903 or 3903F); 25 Employee business expenses (attach Form 2106); 26 IRA deduction from the worksheet on page 12; 27 Keogh retirement plan and self-employed SEP deduction; 28 Penalty on early withdrawal of savings; 29 Alimony paid (recipient's last name and social security no.); 30 Deduction for a married couple when both work (attach Schedule W); 31 Add lines 24 through 30. These are your total adjustments

Adjusted Gross Income: 32 Subtract line 31 from line 23. This is your adjusted gross income. If this line is less than \$11,000 and a child lived with you, see "Earned Income Credit" (line 58) on page 16 of Instructions. If you want IRS to figure your tax, see page 13 of Instructions. 190154

Tax Computation

(See Instructions on page 13.)

33	Amount from line 32 (adjusted gross income)	33	190154
34a	If you itemize, attach Schedule A (Form 1040) and enter the amount from Schedule A line 26. Caution: If you have unearned income and can be claimed as a dependent on your parents' return, see page 13 of Instructions and check here <input type="checkbox"/> . Also see page 13 if you are married filing a separate return and your spouse itemizes deductions, or you are a dual-status alien.	34a	128899
34b	If you do not itemize but you made charitable contributions, enter your cash contributions here. (If you gave \$3,000 or more to any one organization, see page 14.)	34b	
34c	Enter your noncash contributions (you must attach Form 8283 if over \$500)	34c	
34d	Add lines 34b and 34c. Enter the total	34d	
35	Subtract line 34a or line 34d, whichever applies, from line 33	35	6255
36	Multiply \$1,080 by the total number of exemptions claimed on line 6f (see page 14)	36	2160
37	Taxable income. Subtract line 36 from line 35. Enter the result (but not less than zero)	37	59095
38	Enter tax here. Check if from <input type="checkbox"/> Tax Table, <input checked="" type="checkbox"/> Tax Rate Schedules, <input type="checkbox"/> Form 2706, or <input type="checkbox"/> Schedule B	38	16103
39	Additional taxes (see page 14 of Instructions). Enter here and check if from <input type="checkbox"/> Form 4970, <input type="checkbox"/> Form 4972, or <input type="checkbox"/> Form 5544	39	
40	Add lines 38 and 39. Enter the total	40	16103

Credits

(See Instructions on page 14.)

41	Credit for child and dependent care expenses (attach Form 2441)	41	
42	Credit for the elderly or for the permanently and totally disabled (attach Schedule R)	42	
43	Partial credit for political contributions for which you have receipts	43	
44	Add lines 41 through 43. Enter the total	44	
45	Subtract line 44 from line 40. Enter the result (but not less than zero)	45	16103
46	Foreign tax credit (attach Form 1116)	46	
47	General business credit. Check if from <input type="checkbox"/> Form 3800, <input type="checkbox"/> Form 3468, <input type="checkbox"/> Form 5884, <input type="checkbox"/> Form 6878, or <input type="checkbox"/> Form 6765	47	
48	Add lines 46 and 47. Enter the total	48	
49	Subtract line 48 from line 45. Enter the result (but not less than zero)	49	16103

Other Taxes

(Including Advance EIC Payments)

50	Self-employment tax (attach Schedule SE)	50	
51	Alternative minimum tax (attach Form 6251)	51	7343
52	Tax from recapture of investment credit (attach Form 4255)	52	
53	Social security tax on tip income not reported to employer (attach Form 4137)	53	
54	Tax on an IRA (attach Form 5329)	54	
55	Add lines 49 through 54. This is your total tax	55	23446

Payments

Attach Forms W-2, W-2G, and W-2P to front.

56	Federal income tax withheld	56	16000
57	1986 estimated tax payments and amount applied from 1985 return	57	
58	Earned income credit (see page 16)	58	
59	Amount paid with Form 4868	59	
60	Excess social security tax and RRTA tax withheld (two or more employers)	60	
61	Credit for Federal tax on gasoline and special fuels (attach Form 4136)	61	
62	Regulated investment company credit (attach Form 2439)	62	
63	Add lines 56 through 62. These are your total payments	63	16000

Refund or Amount You Owe

64	If line 63 is larger than line 55, enter amount OVERPAID	64	
65	Amount of line 64 to be REFUNDED TO YOU	65	
66	Amount of line 64 to be applied to your 1987 estimated tax	66	
67	If line 55 is larger than line 63, enter AMOUNT YOU OWE. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number, daytime telephone number, and 1986 Form 1040 on it. Check <input type="checkbox"/> if Form 221 (2-83F) attached. See page 17. Penalty: \$	67	7446

CLIENT'S COPY

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign Here

Your signature	Date	Your occupation
<i>Kenneth E. Howard</i>		CORPORATE EXECUTIVE
Spouse's signature (if joint return, BOTH must sign)	Date	Spouse's occupation

Paid Preparer's Use Only

Preparer's signature	Date	Preparer's social security no.
<i>Kenneth E. Howard</i>	12/3/87	214 50 8023
Firm's name (or yours, if self-employed) and address	E.I. No.	ZIP code
BRADBUSH, NEWMAN & CO., P.A. CPAs BALTIMORE, MARYLAND 21210 E.I. No. 52-1134882		

SCHEDULES A&B
(Form 1040)

Department of the Treasury
Internal Revenue Service (O)

Schedule A—Itemized Deductions

(Schedule B is on back)

▶ Attach to Form 1040. ▶ See Instructions for Schedules A and B (Form 1040).

OMB No. 1545-0074

1986

Attachment
Sequence No. 07

Name(s) as shown on Form 1040

RICHARD SHOFER

Your social security number

219 28 1068

Medical and Dental Expenses (Do not include expenses reimbursed or paid by others.) (See instructions on page 19.)	1	Prescription medicines and drugs; and insulin	1		
	2	a Doctors, dentists, nurses, hospitals, insurance premiums you paid for medical and dental care, etc.	2a	16615	
		b Transportation and lodging	2b		
		c Other (list—include hearing aids, dentures, eyeglasses, etc.)	2c		
	3	Add lines 1 through 2c, and enter the total here	3	16615	
	4	Multiply the amount on Form 1040, line 33, by 5% (.05)	4	9508	
	5	Subtract line 4 from line 3. If zero or less, enter -0-. Total medical and dental	5		7107
Taxes You Paid (See instructions on page 20.)	6	State and local income taxes	6	4500	
	7	Real estate taxes	7	4978	
	8	a General sales tax (see sales tax tables in instruction booklet)	8a	1300	
		b General sales tax on motor vehicles	8b		
	9	Other taxes (list—include personal property taxes) ▶ FROM SCHEDULE E 1510 + 1327	9	2837	
	10	Add the amounts on lines 6 through 9. Enter the total here. Total taxes	10		13615
Interest You Paid (See instructions on page 20.)	11	a Home mortgage interest paid to financial institutions (report deductible points on line 13)	11a	16036	
		b Home mortgage interest you paid to individuals (show that person's name and address) ▶	11b		
	12	Total credit card and charge account interest you paid	12		
	13	Other interest you paid (list payee's name and amount) ▶ COMPTROLLER OF THE TREASURY CATALINA ENTERPRISES, INC. BALTIMORE COUNTY FROM SCHEDULE E 17820 + 18334 + 75 FROM 4953	13	359 29076 16 36229 28911	
	14	Add the amounts on lines 11a through 13. Enter the total here. Total interest	14		110622
Contributions You Made (See instructions on page 21.)	15	a Cash contributions. (If you gave \$3,000 or more to any one organization, report those contributions on line 15b.)	15a	35	
		b Cash contributions totaling \$3,000 or more to any one organization. (Show to whom you gave and how much you gave.) ▶	15b		
	16	Other than cash. (You must attach Form 8283 if over \$500.)	16		
	17	Carryover from prior year	17		
	18	Add the amounts on lines 15a through 17. Enter the total here. Total contributions	18		35
Casualty and Theft Losses	19	Total casualty or theft loss(es). (You must attach Form 4684 or similar statement.) (See page 21 of Instructions.)	19		
Miscellaneous Deductions (See instructions on page 22.)	20	Union and professional dues	20		
	21	Tax return preparation fee	21		
	22	Other (list type and amount) ▶	22		
	23	Add the amounts on lines 20 through 22. Enter the total here. Total miscellaneous	23		
Summary of Itemized Deductions (See instructions on page 22.)	24	Add the amounts on lines 5, 10, 14, 18, 19, and 23. Enter your answer here.	24		131379
	25	If you checked Form 1040 { Filing Status box 2 or 5, enter \$3,670 } { Filing Status box 1 or 4, enter \$2,480 } { Filing Status box 3, enter \$1,835 }	25		2480
	26	Subtract line 25 from line 24. Enter your answer here and on Form 1040, line 34a. (If line 25 is more than line 24, see the instructions for line 26 on page 22.)	26		128899

Name(s) as shown on Form 1040. (Do not enter name and social security number if shown on other side.)

RICHARD SHOFER

Your social security number

219 28 1068

Schedule B—Interest and Dividend Income

Attachment Sequence No. 08

**Part I
Interest
Income**

If you received more than \$400 in interest income, you must complete Part I and list ALL interest received. If you received, as a nominee, interest that actually belongs to another person, or you received or paid accrued interest on securities transferred between interest payment dates, see page 22.

(See Instructions on pages 8 and 22.)
Also complete Part III.

Interest Income		Amount
1	Interest income from seller-financed mortgages. (See Instructions and list name of payer.) ▶	
2	Other interest income (list name of payer) ▶ YORK RIDGE - CALVERT 2071495	124
3	Add the amounts on lines 1 and 2. Enter the total here and on Form 1040, line 8 ▶	124

**Part II
Dividend
Income**

If you received more than \$400 in gross dividends and/or other distributions on stock, complete Part II. If you received, as a nominee, dividends that actually belong to another person, see page 23.

(See Instructions on pages 8 and 22.)
Also complete Part III.

Dividend Income		Amount
4	Dividend income (list name of payer—include on this line capital gain distributions, nontaxable distributions, etc.) ▶ CATALINA MUTUAL FUND SEE NOTE ON SCHEDULE D	1164
5	Add the amounts on line 4. Enter the total here	1164
6	Capital gain distributions. Enter here and on line 13, Schedule D.*	
7	Nontaxable distributions. (See Schedule D Instructions for adjustment to basis.)	
8	Add the amounts on lines 6 and 7. Enter the total here	
9	Subtract line 8 from line 5. Enter the result here and on Form 1040, line 9a ▶	1164

*If you received capital gain distributions for the year and you do not need Schedule D to report any other gains or losses, do not file that schedule. Instead, enter 40% of your capital gain distributions on Form 1040, line 14.

**Part III
Foreign
Accounts
and
Foreign
Trusts**

If you received more than \$400 of interest or dividends, OR if you had a foreign account or were a grantor of, or a transferor to, a foreign trust, you must answer both questions in Part III.

(See Instructions on page 23.)

	Yes	No
10 At any time during the tax year, did you have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 23 of the Instructions for exceptions and filing requirements for Form TD F 90-22.1.) If "Yes," enter the name of the foreign country ▶		
11 Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? If "Yes," you may have to file Forms 3520, 3520-A, or 926.		

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule B (Form 1040) 1986

Note: If you have capital loss carryovers from years beginning before 1970, do not complete Parts III or IV. See Form 4798 instead.

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side.)

RICHARD SHOFER

Your social security number

219; 28; 1068

Part III Summary of Parts I and II

18	Combine lines 8 and 17, and enter the net gain or (loss) here Note: If line 18 is a loss, skip lines 19 through 21 and complete lines 22 and 23. If line 18 is a gain, complete lines 19 through 21 and skip lines 22 and 23.	18	72399	
19	If line 18 shows a gain, enter the smaller of line 17 or line 18. Enter zero if there is a loss or no entry on line 17	19		
20	Enter 60% of line 19 If line 20 is more than zero, you may be liable for the alternative minimum tax. See Form 6251.	20		
21	Subtract line 20 from line 18. Enter here and on Form 1040, line 13	21		
22	If line 18 shows a loss, enter one of the following amounts: a If line 8 is zero or a net gain, enter 50% of line 18; — b If line 17 is zero or a net gain, enter line 18; or c If line 8 and line 17 are net losses, enter amount on line 8 added to 50% of the amount on line 17.	22	36200	
23	Enter here and as a loss on Form 1040, line 13, the smallest of: a The amount on line 22; b \$3,000 (\$1,500 if married and filing a separate return); or c Taxable income, as adjusted (see instructions)	23	3000	

Part IV Computation of Post-1969 Capital Loss Carryovers From 1986 to 1987
(Complete this part if the loss on line 22 is more than the loss on line 23)

24	Enter loss shown on line 8; if none, enter zero and skip lines 25 through 28, then go to line 29	24	—	
25	Enter gain shown on line 17. If that line is blank or shows a loss, enter zero	25		
26	Subtract line 25 from line 24	26		
27	Enter smaller of line 23 or line 26	27		
28	Subtract line 27 from line 26. This is your short-term capital loss carryover from 1986 to 1987	28		
29	Subtract line 27 from line 23. (Note: If you skipped lines 25 through 28, enter amount from line 23.)	29	3000	
30	Enter loss from line 17; if none, enter zero and skip lines 31 through 34	30	72399	
31	Enter gain shown on line 8. If that line is blank or shows a loss, enter zero	31	—	
32	Subtract line 31 from line 30	32	72399	
33	Multiply amount on line 29 by 2	33	6000	
34	Subtract line 33 from line 32. This is your long-term capital loss carryover from 1986 to 1987	34	66399	

Part V Complete This Part Only If You Elect Out of the Installment Method and Report a Note or Other Obligation at Less Than Full Face Value

Check here if you elect out of the installment method

Enter the face amount of the note or other obligation. ▶

Enter the percentage of valuation of the note or other obligation. ▶

Part VI Reconciliation of Forms 1099-B For Bartering Transactions

Complete this part if you received one or more Form(s) 1099-B or an equivalent substitute statement(s) reporting bartering income. Enter the amount on the line that indicates the form or schedule you used to report the bartering income.

Amount of bartering from Form 1099-B or equivalent statement

35	Form 1040, line 22	35		
36	Schedule C (Form 1040)	36		
37	Schedule D (Form 1040)	37		
38	Schedule E (Form 1040)	38		
39	Schedule F (Form 1040)	39		
40	Other (Identify) (if not taxable, indicate reason—attach additional sheets if necessary) ▶	40		
41	Total (add lines 35 through 40)	41		

Note: The amount on line 41 should be the same as the total bartering on all Forms 1099-B or equivalent statements received.

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (O)

Supplemental Income Schedule

(From rents and royalties, partnerships, estates, trusts, etc.)

▶ Attach to Form 1040, Form 1041, or Form 1041S.
▶ See Instructions for Schedule E (Form 1040).

OMB No. 1545-0074

1986

Attachment
Sequence No. 13

Name(s) as shown on Form 1040

RICHARD SHOPOR

Your social security number

219;28;1068

Part I Rental and Royalty Income or (Loss)

1 In the space provided below, show the kind and location of each rental property.	2 For each property listed, did you or a member of your family use for personal purposes any of the properties for more than the greater of 14 days or 10% of the total days rented at fair rental value during the tax year?	Yes	No
Property A GAS STATION 5000 LIBERTY HEIGHTS - ROAD - COMMERCIAL ▶			✓
Property B UNIT 15 L MAHOGANY RUN ▶			✓
Property C UNIT 29 M MAHOGANY RUN ▶			✓

Rental and Royalty Income	Properties			Totals (Add columns A, B, and C)
	A	B	C	
3a Rents received		23232	1000	3 24232
b Royalties received				
Rental and Royalty Expenses				
4 Advertising	4	472	427	
5 Auto and travel	5	1457	1552	
6 Cleaning and maintenance	6	3733	1320	
7 Commissions	7	2548		
8 Insurance	8	164	179	
9 Legal and other professional fees	9	303		
10 Mortgage interest paid to financial institutions (see Instructions)	10	4742	711	10 5453
11 Other interest	11	2070	20	
12 Repairs	12			
13 Supplies	13			
14 Taxes (Do not include windfall profit tax here. See Part III, line 34.)	14	1464	343	
15 Utilities	15		1329	
16 Wages and salaries	16			
17 Other (list) ▶ ASSOCIATION DUES MANAGEMENT FEE AMORTIZATION		2762 5911	2805 115	
18 Total expenses other than depreciation and depletion. Add lines 4 through 17	18	2534	23686	18 34718
19 Depreciation expense (see Part V Instructions), or depletion (see Publication 535)	19	1586	14131	19 32648
20 Total. Add lines 18 and 19.	20	4120	37817	
21 Income or (loss) from rental or royalty properties. Subtract line 20 from line 3a (rents) or 3b (royalties)	21	(4120)	(14585)	(24429)
22 Add properties with profits on line 21, and enter the total profits here.	22			-
23 Add properties with losses on line 21, and enter the total (losses) here	23			(43134)
24 Combine amounts on lines 22 and 23, and enter the net profit or (loss) here	24			(43134)
25 Net farm rental profit or (loss) from Form 4835, line 34	25			
26 Total rental or royalty income or (loss). Combine amounts on lines 24 and 25, and enter the total here. If Parts II and III on page 2 do not apply to you, enter the amount from line 26 on Form 1040, line 18. Otherwise, include the amount from line 26 in line 36 on page 2 of Schedule E	26			(43134)

Name(s) as shown on Form 1040. (Do not enter name and social security number if shown on other side.)

Your social security number

Part II Income or (Loss) from Partnerships, S Corporations, Estates, or Trusts

If you report a loss below, and have amounts invested in that activity for which you are not at risk, you may have to file Form 6198. See Instructions.

Partnerships and S Corporations

Table with 6 columns: (a) Name, (b) Enter appropriate code, (c) Check if foreign partnership, (d) Employer identification number, (e) Net loss, (f) Net income. Multiple rows for reporting.

Codes: P for partnership; S for S corporation

Summary rows for Partnerships and S Corporations: 27 Add amounts in columns (e) and (f) and enter the total(s) here; 28 Combine amounts in columns (e) and (f), line 27, and enter the net income or (loss) here; 29 Deduction for section 179 property; 30 Total partnership and S corporation income or (loss).

Estates and Trusts

Table with 6 columns: (a) Name, (b), (c), (d) Employer identification number, (e) Net loss, (f) Net income. Rows for reporting.

Summary rows for Estates and Trusts: 31 Add amounts in columns (e) and (f) and enter the total(s) here; 32 Total estate and trust income or (loss).

Part III Windfall Profit Tax Summary

Summary rows for Windfall Profit Tax: 33 Windfall profit tax credit or refund received in 1986; 34 Windfall profit tax withheld in 1986; 35 Combine amounts on lines 33 and 34.

Part IV Summary

Summary rows: 36 TOTAL income or (loss). Combine lines 26, 30, 32, and 35. Enter total here and on Form 1040, line 18; 37 Farmers and fishermen: Enter your share of GROSS FARMING AND FISHING INCOME.

Part V Optional Depreciation Worksheet.—You may use this worksheet to figure depreciation only on property placed in service before 1981. If you placed any property in service after 1980, you must use Form 4562 for all property.

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Cost or other basis, (d) Depreciation allowed or allowable in prior years, (e) Depreciation method, (f) Life or rate, (g) Depreciation for this year. Includes entries for BUILDING and LAND.

RICHARD SHOFER

1040(E)

319-28-106

Allocation of Expenses		UNIT 29M		MAHOGANY RUN				
LINE	EXPENSES AT 100%	RATIO TO DETERMINE SCHEDULE E EXPENSE	DEDUCTIBLE EXPENSE FOR SCHEDULE E	PARTIALLY DEDUCTIBLE ON SCHEDULE A				
ADVERTISING	427		427					
AUTO + TRAVEL	1552		1552					
CLEAN + MAINT	1320		1320					
INSURANCE	179		179					
MORT. INT	18531	(A) 14/365	711		17820			
TAXES	1570	(B) 14/365	60		1510			
UTILITIES	1329	:	1329					
ASSOCIATION DUES	2805		2805					
			27713				8383	
DEPRECIATION	16931		16931					
AMORTIZATION	115		115					
			44759				25429	

(A) INTEREST + TAXES: DAYS RENTON DIVIDED BY TOTAL DAYS
 (B) For other expenses: 100% due to NO personal use.

RICHARD SHOOPER

1040 (E)

279-28-1068

ALLOCATION OF EXPENSES		UNIT ISL		MAHOGAN		RUN			
LINE	AMOUNT	100%	RATIO TO DETERMINE SCHEDULE E EXPENSE	DEBITABLE EXPENSE FOR SEC. E	PORTION DEBITABLE ON SCHEDULE A				
ADVERTISING	4	516	ⓐ 75/82	472					
AUTO + TRAVEL	5	1593	↓	1457					
CLEAN + MAINTENANCE	6	4081	↓	3732					
COMMISSIONS	7	2786	↓	2548					
INSURANCE	8	179	↓	164					
LEGAL	9	331	↓	303					
MORT INT	10	23076	ⓑ 75/365	4742	18334				
OTHER INT.	11	95	ⓑ 75/365	20	75				
TAXES	14	1670	ⓑ 75/365	343	1327				
UTILITIES	15	1346	75/82	1231					
ASSOCIATION DUES	17	3020	↓	2762					
MANAGEMENT FEE	17	6463	↓	5911					
		41156	↓	23686					
DEPRECIATION		15450	↓	14131					
		<u>60606</u>		<u>37817</u>					

ⓐ INTEREST + TAXES: DAYS RENTED DIVIDED BY TOTAL DAYS
 ⓑ FOR OTHER EXPENSES: DAYS RENTED DIVIDED BY DAYS RENTED PLUS PORTION DAYS

Alternative Minimum Tax Computation

▶ Attach to Forms 1040, 1040NR, 1041 or 990-T (Trust).

Name(s) as shown on tax return

RICHARD SHOFER

Identifying number

219-28-1068

1	Adjusted gross income (see instructions)		1	190154
2	Deductions (Individuals, attach Schedule A (Form 1040))(see instructions):			
a	(1) Medical and dental expense from Schedule A, line 5	2a(1) 7107		
	(2) Multiply Form 1040, line 33, by 5% (.05)	2a(2) 9508		
	(3) Subtract line 2a(2) from line 2a(1). (If zero or less, enter zero.)	2a(3) —		
b	Contributions from Schedule A, line 18, OR Form 1040, line 34d	2b 35		
c	Casualty and theft losses from Schedule A, line 19	2c —		
d	Qualified interest on property used as a residence (see instructions)	2d 52190		
e	(1) Interest, other than line 2d above, from Schedule A, line 14	2e(1) 58432		
	(2) Net investment income (If zero or less, enter zero)	2e(2) 1288		
	(3) Enter the smaller of line 2e(1) or line 2e(2)	2e(3) 1288		
f	Gambling losses to the extent of gambling winnings from Schedule A, line 22	2f		
g	Estate tax allowable under section 691(c) from Schedule A	2g		
h	Estates and trusts only: Charitable deduction and income distribution deduction	2h		
i	Add lines 2a(3), b, c, d, e(3), f, g, and h		2i	53513
3	Subtract line 2i from line 1.		3	136641
4	Tax preference items:			
a	Dividend exclusion	4a		
b	60% capital gain deduction	4b		
c	Accelerated depreciation on nonrecovery real property or 15-, 18-, or 19-year real property	4c 7496		
d	Accelerated depreciation on leased personal property or leased recovery property other than 15-, 18-, or 19-year real property.	4d 3091		
e	Amortization of certified pollution control facilities	4e		
f	Mining exploration and development costs	4f		
g	Circulation and research and experimental expenditures	4g		
h	Reserves for losses on bad debts of financial institutions	4h		
i	Depletion	4i		
j	Incentive stock options	4j		
k	Intangible drilling costs	4k		
i	Add lines 4a through 4k.		4i	10587
5	Alternative minimum taxable income (add lines 3 and 4(i)) (short period returns, see instructions).		5	147228
6	Enter: \$40,000, if married filing joint return or Qualifying widow(er). \$30,000, if single or head of household \$20,000, if married filing separate return or estate or trust		6	30000
7	Subtract line 6 from line 5. If zero or less, do not complete the rest of this form.		7	117228
8	Enter 20% of line 7		8	23446
9	Amount from Form 1040, line 49, or Form 1040NR, line 49. (Do not include Form 1040, line 39, or Form 1040NR, line 40.) (Estates and trusts, see instructions.)		9	16103
10	Subtract line 9 from line 8. If zero or less, enter zero		10	7343
11	Foreign tax credit		11	
12	ALTERNATIVE minimum tax (subtract line 11 from line 10). Enter on your tax return, on the line identified as alternative minimum tax		12	7343

Instructions

(Section references are to the Internal Revenue Code)
Paperwork Reduction Act Notice.— We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.
Who Must File.—File this form if: (a) You are liable for the alternative minimum tax; or (b) you have one or more tax preference items on lines 4c through 4k; or (c) your adjusted gross income is more than line 6 and you have an amount on line 2e(3), and line 2e(2) includes income other than interest and dividend income.
 Individuals, estates or trusts may be liable if their adjusted gross income plus tax preference items listed on line 4 total more than line 6.

For more information, see Publication 909, **Alternative Minimum Tax.**
Minimum Tax Deferred From Earlier Year(s).—If a net operating loss carryover from an earlier year(s) reduces taxable income for 1986 and the net operating loss giving rise to the carryover resulted in the deferral of minimum tax in that earlier year(s), all or part of the deferred minimum tax may be includible as tax liability for 1986. Figure the deferred minimum tax in the worksheet in Publication 909 and enter it on Form 1040, line 51, or Form 1041, line 31. Write "Deferred Minimum Tax."
Partners, Beneficiaries, etc.—If you are a: (1) Partner or shareholder of an S corporation, take into account separately your distributive share of items of income and deductions that enter into the computation of tax preference items.

(2) Beneficiary of an estate or trust, see section 58(c) and the line 4(1) instructions.
 (3) Participant in a common trust fund, see section 58(e).
 (4) Shareholder or holder of beneficial interest in a regulated investment company or a real estate investment trust, see section 58(f).
Carryback and Carryover of Unused Credits.— It may be necessary to figure the carryback or carryover of certain unused credits. See section 55(c)(3).
Note: If you have an earned income credit, you must reduce that credit by any alternative minimum tax.

Line-by-Line Instructions

Line 1, Estates and Trusts.—Adjusted gross income is figured in the same way as for an

Depreciation and Amortization

Department of the Treasury
Internal Revenue Service (0)

▶ See separate instructions.
▶ Attach this form to your return.

Name(s) as shown on return

RICHARD SHOFER

Identifying number

219-28-1068

Business or activity to which this form relates

RENTAL PROPERTIES

Part I Depreciation (Do not use this part for automobiles, certain other vehicles, computers, and property used for entertainment, recreation, or amusement. Instead, use Part III.)
See instructions under Items You Should Note for new rules for certain assets placed in service after July 31, 1986.

Section A.—Election To Expense Recovery Property (Section 179)

(a) Class of property	(b) Cost	(c) Expense deduction
1		
2 Listed property—Enter total from Part III, Section A, column (h).		
3 Total (see instructions for limitations). (Partnerships or S corporations—see the Schedule K and Schedule K-1 Instructions of Form 1065 or 1120S)		

Section B.—Depreciation of Recovery Property

(a) Class of property	(b) Date placed in service	(c) Basis for depreciation (Business use only—see instructions)	(d) Recovery period	(e) Method of figuring depreciation	(f) Deduction
4 Accelerated Cost Recovery System (ACRS) (see instructions): For assets placed in service ONLY during tax year beginning in 1986					
a 3-year property					
b 5-year property		663	5	ACRS	99
c 10-year property					
d 15-year public utility property					
e Low-income housing					
f 15-year real property					
g 18-year real property					
h 19-year real property					
5 Listed property—Enter total from Part III, Section A, column (g).					
6 ACRS deduction for assets placed in service prior to 1986 (see instructions)					32282

Section C.—Depreciation of Nonrecovery Property

7 Property subject to section 168(e)(2) election (see instructions)	
8 Other depreciation (see instructions)	

Section D.—Summary

9 Depreciation from Form 4562A (see instructions)	
10 Total (add deductions on lines 3 through 9). Enter here and on the Depreciation line of your return (Partnerships and S corporations—Do NOT include any amounts entered on line 3.) (1040 E)	32381

Part II Amortization

(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
1 Amortization for property placed in service only during tax year beginning in 1986					
2 Amortization for property placed in service prior to 1986 29 M = 1725		461 (G)		15	115
3 Total. Enter here and on Other Deductions or Other Expenses line of your return					115

See Paperwork Reduction Act Notice on page 1 of the separate instructions.

Investment Interest Expense Deduction

▶ See instructions on back.
 ▶ Attach to your tax return.

Name(s) as shown on return RICHARD SHOFER Identifying number 219-28-1068
 Kind of return Individual Estate Trust

Part I Interest on Investment Debts Incurred Before December 17, 1969

Note: Use Part I only if you have investment interest expense on debts incurred before December 17, 1969, in addition to debts incurred on or after that date.

1	Interest expense on investment debts incurred before December 17, 1969	1	
2	Total net investment income	2	
3	Net investment income allocable to the period before December 17, 1969: $\frac{\text{Line 1}}{\text{Line 1} + \text{Line 7} + \text{Line 15} + \text{Line 27}} \times \text{Line 2}$	3	
4	Subtract line 3 from line 2—Enter here and on line 10(a)	4	

Part II Interest on Investment Debts Incurred After September 10, 1975

5	Interest expense on investment debts incurred after September 10, 1975	5	
6	Carryover—Enter amount from 1985 Form 4952, line 14 (see instructions)	6	
7	Total investment interest expense (add lines 5 and 6)	7	
8a	Individuals enter \$10,000 (\$5,000 if married filing separately)	8a	
8b	Additional limitation	8b	
9	Estates enter \$10,000; trusts enter zero	9	
10a	Total net investment income (amount from line 4 if Part I is used)	10a	
10b	$\frac{\text{Line 7}}{\text{Line 7} + \text{Line 15} + \text{Line 27}} \times \text{Line 10(a)}$	10b	
11	Excess expenses from "net lease property"	11	
12	Limitation on deduction (add lines 8(a), (b), 9, 10(b) and 11)	12	
13	Allowable investment interest deduction—Enter the smaller of line 7 or line 12 (see instructions)	13	
14	Disallowed investment interest to be carried over to 1987 (subtract line 13 from line 7)	14	

Part III Interest on Investment Debts Incurred Before September 11, 1975, and After December 16, 1969

15	Interest expense on investment debts incurred before September 11, 1975, and after December 16, 1969.	15	31534
16	Individuals enter \$25,000 (\$12,500 if married filing separately)	16	25000
17	Estates enter \$25,000; trusts enter zero	17	
18	Net investment income (subtract line 10(b) from line 10(a))	18	1288
19	Excess expenses from "net lease property"	19	
20	Net long-term capital gain minus net short-term capital loss from sale or exchange of property held for investment	20	-
21	Tentative limitation (add lines 16 through 20)	21	26288
22	Subtract line 21 from line 15. If line 21 is more than line 15, enter zero	22	5246
23	Additional deduction (50% of line 22)	23	2623
24	Limitation on deduction (add lines 21 and 23)	24	28911
25	Allowable investment interest deduction—Enter the smaller of line 15 or line 24 (see instructions)	25	28911
26	Disallowed investment interest to be carried over to 1987 (subtract line 25 from line 15)	26	2623

Part IV Investment Interest Expense Carryover From Earlier Years—Incurred Before September 11, 1975

27	Carryover—Enter the sum of the amounts from your 1985 Form 4952, lines 26 and 35 (see instructions)	27	22461
28	Enter amount reportable on line 18 plus \$25,000*	28	26288
29	Enter the larger of line 15 or \$25,000*	29	31534
30	Subtract line 29 from line 28. If line 29 is larger than line 28, enter zero	30	-
31	Enter 50% of line 30	31	-
32	Allowable investment interest deduction (enter the smaller of line 27 or line 31)	32	-
33	Interest carryover from earlier years disallowed in 1986 (subtract line 32 from line 27)	33	22461
34	Enter the 60% capital gain deduction from your 1986 Schedule D or 1986 Form 4798	34	-
35	Interest carryover to 1987 (subtract line 34 from line 33)	35	22461

*\$12,500, if married filing separately; zero, if a trust.

**Application for Automatic Extension of Time
 To File U.S. Individual Income Tax Return**

1986

Please Type or Print	Your first name and initial (If joint return, also give spouse's name and initial)	Last name	Your social security number
	RICHARD	S HOFER	217-28-1068
	Present home address (number and street or rural route). (If you have a P.O. Box, see the instructions.)	Spouse's social security no.	
	216 ST. DUNSTONS RD		
	City, town or post office, state, and ZIP code		
	BALTO. MD 21212		

Note: File this form with the Internal Revenue Service Center where you must file your income tax return and pay the amount shown on line 6 below. This is not an extension of time for payment of tax. You will be charged a penalty for late payment of tax and late filing unless you show reasonable cause for not paying or filing on time (see instructions).

If you expect to file a gift tax return (Form 709 or Form 709-A) for 1986, generally due by April 15, 1987, check this box

I request an automatic 4-month extension of time to August 17, 1987, to file Form 1040A or Form 1040 for the calendar year 1986 (or if a fiscal year Form 1040 to _____, 19 _____, for the tax year ending _____, 19 _____).

1	Total income tax liability for 1986. (You may estimate this amount.) Note: You must enter an amount on line 1. If you do not expect to owe tax, enter zero (0).	1	16000
2	Federal income tax withheld	2	16000
3	1986 estimated tax payments (include 1985 overpayment allowed as a credit)	3	
4	Other payments and credits you expect to show on Form 1040A or Form 1040	4	
5	Add lines 2, 3, and 4	5	16000
6	Income tax balance due (subtract line 5 from line 1). Pay in full with this form. (If line 5 is more than line 1, enter zero (0).)	6	- 0 -
7	Total gift tax and generation-skipping transfer tax you expect to owe for 1986 (see instructions)	7	

If you send only one check for income, gift, and generation-skipping transfer taxes due, attach a statement showing how much of the check applies to each type of tax.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and, if prepared by someone other than the taxpayer, that I am authorized to prepare this form.

Signature of taxpayer _____ Date _____

Signature of spouse _____ Date _____
 (If filing jointly, BOTH must sign even if only one had income)

Signature of preparer other than taxpayer Kenneth E. Smith, CPA Date 4-14-87

General Instructions

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose of Form.—Use Form 4868 to ask for an automatic 4-month extension of time to file Form 1040A or Form 1040. The 4-month extension period includes the automatic 2-month extension granted to U.S. citizens and resident aliens who are

living or traveling outside the United States and Puerto Rico on the due date for filing their returns. Do not file this form if:

- You want the IRS to figure your tax, or
- You are under a court order to file your return by the regular due date.

The extension will be granted if you complete this form properly, file it on time, and pay with it the amount of tax shown on line 6. We will notify you only if your request for an extension is denied.

Note: Any extension of time granted for filing your 1986 calendar year income tax return also extends the time for filing a gift tax return for 1986.

Filing Form 2688.—Except in cases of undue hardship, we will not accept Form 2688, Application for Additional Extension of Time To File U.S. Individual Income Tax Return, until you have first used Form 4868.

If you have filed Form 4868 and still need more time, use Form 2688 or write a letter of explanation. You must show reasonable cause. Send Form 2688 or the letter to the Internal Revenue Service Center where you file your Form 1040A or Form 1040. (See Where To File.)

If you need a further extension, ask for it early so that, if denied, you can still file your return on time.

**Application for Additional Extension of Time To File
 U.S. Individual Income Tax Return**

OMB No. 1545-0066

1986

Attachment
 Sequence No. **59**

(See back for filing instructions. Be sure to complete all items.)

Please type or print. File the original and one copy by the due date for filing your return.	Your first name and initial (if joint return, also give spouse's name and initial)	Last name	Your social security number
	<u>RICHARD</u>	<u>SHOFFER</u>	<u>219-28-1068</u>
	Present home address (number and street or rural route). (If you have a P.O. Box, see the instructions.)		Spouse's social security number
	<u>216 ST. DUNSTONS ROAD</u>		
	City, town or post office, state, and ZIP code		
	<u>BALTIMORE, MD. 21212</u>		

If you expect to file a gift tax return (Form 709 or Form 709-A) for 1986, generally due by April 15, 1987, check this box.

- I request an extension of time until OCTOBER 15, 19 87, to file Form 1040A or Form 1040 for the calendar year 1986, or other tax year ending _____, 19 _____.
- Were you previously granted an extension of time to file for this tax year? Yes No
- Previous extension granted to (date) 8-17-87
- State in detail why you need an extension. Additional time is required in order to compile information necessary for a complete and accurate return.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and, if prepared by someone other than the taxpayer, that I am authorized to prepare this form.

Signature of taxpayer ▶ _____ Date ▶ _____

Signature of spouse ▶ _____ Date ▶ _____

Signature of preparer other than taxpayer ▶ Kenneth B. Hancock, CPA Date ▶ 8-13-87

IRS will show below whether or not your application is approved and will return the copy.

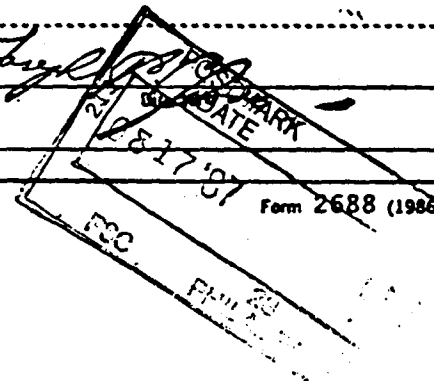
Notice to Applicant—To Be Completed by IRS

- We HAVE approved your application. (Please attach this form to your return.)
- We HAVE NOT approved your application. (Please attach this form to your return.)
 However, because of your reasons stated above, we have granted a 10-day grace period from the date shown below or due date of your return, whichever is later. This grace period is considered to be a valid extension of time for elections otherwise required to be made on returns filed on time.
- We HAVE NOT approved your application. After considering your reasons stated above, we cannot grant your request for an extension of time to file. (We are not granting the 10-day grace period.)
- We cannot consider your application because it was filed after the due date of your return.
- Other _____

 Date

By: [Signature]

 DATE



For Paperwork Reduction Act Notice, see back of form.

mc

FORM 502

MARYLAND TAX RETURN

FORM 502 ATTACHED EXTENSION TO 0/0/85

1986

Or Fiscal Year Beginning 1986, Ending 19

First Name(s) and Initials (if joint return, use first names and middle initials of both) Last Name(s)
RICHARD SHOFER

DO NOT WRITE IN THIS SPACE

PRESENT Address (Number and Street or Rural Route) Your Social Security Number
216 ST. DUNSTONS RD 219 28 1068

City or Town State Zip Code Your Occupation
BALTIMORE MARYLAND 21212 CORP EXEC

Maryland County Spouse's Social Security Number
BALTIMORE

City, Town, or Taxing Area Spouse's Occupation
BALTIMORE

Married filing jointly, separate returns on this form, or married filing separately
Married filing jointly (checked)
Married filing separate returns on this form
Married filing separately
Qualifying widow(er) with dependent child

EXEMPTIONS
REGULAR OR OVER-BLIND
YOURSELF
SPOUSE
FIRST NAME(S) OF DEPENDENT CHILDREN
LAND
ENTER NUMBER / (A)
ENTER NUMBER / (B)

OTHER EXEMPTIONS ALLOWED BY MARYLAND
NAME
RELATIONSHIP
REGULAR OR OVER-BLIND
ENTER NUMBER CHECKED
Combined separate returns number of exemptions claimed in Column A and Column B

Table with 3 columns: Line number, Description, Amount. Includes lines for Federal Adjusted Gross Income, Maryland Adjusted Gross Income, Taxable Net Income, Maryland Tax, Local Income Tax, Total Maryland and Local Income Tax, and Refund.

COPY CLIENT'S

Under penalty of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. I prepared by a person other than myself. This declaration is based on all information of which the preparer has any knowledge.

COMPTROLLER OF THE TREASURY
INCOME TAX DIVISION
ANNAPOLIS, MARYLAND 21411

Your Signature and Date

Spouse's Signature and Date (If filing jointly, or combined separate, BOTH must sign)

BALTIMORE, MARYLAND 21210

PART I — INCOME AND ADJUSTMENTS FROM FEDERAL RETURN

	COLUMN A	COLUMN B	COLUMN C	
26. Wages, Salaries, Tips, etc.			120000	26
27. Interest			124	27
28. Dividends			1167	28
29. Refunds of State and Local Income Taxes				29
30. Alimony Received				30
31. Business Income or (Loss)				31
32. Capital Gain or (Loss)			< 3000 >	32
33. Supplemental Gains or (Losses) from Federal Form 4797				33
34. Taxable Amount of Pensions and Annuities, IRA Distributions			35000	34
35. <u>Rents</u> & Royalties, Partnerships, Estates or Trusts, etc. (circle appropriate items)			< 43134 >	35
36. Farm Income or (Loss)				36
37. Taxable Amount of Unemployment Compensation				37
38. Taxable Amount of Social Security and Tier 1 Railroad Retirement Benefits				38
39. Other Income				39
40. Total Income (Add Lines 26 Through 39)			190154	40
41. Total Adjustments from Federal Return (IRA, Two-Earner, etc.)				41
42. Adjusted Gross Income (Subtract Line 41 from Line 40) (Enter on Line 1)			190154	42

PART II — ADDITIONS

43. Federal Deduction for Two-Earner Married Couples				43
44. Interest on State and Local Obligations Other Than Maryland				44
45. Dividend Exclusion (From Federal Return)				45
46. Taxable Tax Preference Items (Attach Form 502 TP)			293	46
47. Lump Sum Distributions (See Instructions, Page 20)				47
48. Other (Specify) (See Instructions, Page 21)				48
49. Total (Add Lines 43 Through 48) (Enter on Line 2)			293	49

PART III — SUBTRACTIONS

50. Interest on U.S. Obligations				50
51. Pension Exclusion (Complete Part V Below)				51
52. Child and Dependent Care Expenses (See Instructions, Page 21)				52
53. Use of Vehicle for Charitable Purposes (Attach Form 502 V)				53
54. Income Received During Period of Nonresident Status				54
55. Refunds of State and Local Income Taxes Written on Line 29				55
56. Taxable Social Security and Railroad Retirement Benefits from Lines 34 & 38				56
57. Other (Specify) (See Instructions, Page 21)				57
58. Total (Add Lines 50 Through 57) (Enter on Line 4)				58

PART IV — ITEMIZED DEDUCTIONS AND MARYLAND ADJUSTMENTS

59. Total Federal Itemized Deductions (Attach a copy of Federal Schedule A)			131379	59
60. State and Local Income Taxes from Federal Schedule A			4500	60
61. Net Deductions (Subtract Line 60 from Line 59) or (Amount on Line 26, Form 502A)			126879	61
62. State Deduction: Artist's Contribution (Attach Form 502AC)				62
63. Total (Add Lines 61 and 62)			126879	63
64. Deductions During Period of Nonresidence				64
65. Total Maryland Deductions (Subtract Line 64 from Line 63) (Enter on Line 8)			126879	65

PART V — PENSION EXCLUSION COMPUTATION (For use only if 65 or over, or totally disabled — See Instructions, Page 21)

	COLUMN A		COLUMN B	
	\$		\$	
66. Net Taxable Pension and Retirement Annuity Included as Income in Federal Return				
67. Maximum Allowable Exclusion	\$	8600 00	\$	8600 00
68. Total Benefits Received Under the Social Security Act and/or the Railroad Retirement Act	\$		\$	
69. Tentative Exclusion (Subtract Line 68 from Line 67)	\$		\$	
70. Modification (Subtraction) to Federal Adjusted Gross Income (Line 66 or Line 69 Whichever is Less) Write the Amount on Line 51	\$		\$	

FORM
502 TP

MARYLAND

1986

COMPUTATION OF TAX PREFERENCE INCOME MODIFICATION

Attach To Your Tax Return

Name and Address of Taxpayer

RICHARD SHOFER

Social Security No.

219:28:1068

Check Return Filed: 502 Resident 505 Nonresident 504 Fiduciary

Who must file: File this form if the total tax preference items (line 2) is more than \$10,000 (\$20,000 for a joint return).

1. TAX PREFERENCE ITEMS FROM FEDERAL FORM 6251

(a) Dividend Exclusion (Not a Maryland Tax Preference Item)	
(b) Capital Gains	
(c) Accelerated depreciation on Real Property:	
(1) Low-Income Rental Housing under Sec. 167(k)	
(2) Other Nonrecovery Real Property or 15-year or 18-year Real Property	7496
(d) Accelerated Depreciation on Leased Personal Property or Leased Recovery Property other than 15-year or 18-year Real Property	3091
(e) Amortization of Certified Pollution Control Facilities	
(f) Mining Exploration and Development Costs	
(g) Circulation and Research and Experimental Expenditures	
(h) Reserves for Losses on Bad Debts of Financial Institutions	
(i) Depletion (Excluding Oil Percentage Depletion Allowance)	
(j) Incentive Stock Options	
(k) Intangible Drilling Costs	
2. Total Tax Preference Items (Add Lines 1(a) through (k))	10587
3. Exclusion. Enter \$10,000 (\$20,000 for a joint return)	10000
4. Subtract Line 3 from Line 2	587
5. 50% of Line 4	294
6. Taxable Tax Preference Items (Subtract Line 5 from Line 4) Enter on Line 46, Part II, Form 502, or Line 44, Part II, Form 505; or Line 42, Schedule 3, Form 504	293

FORM
502 E

COMPTROLLER OF THE TREASURY
INCOME TAX DIVISION
ANNAPOLIS, MARYLAND 21411

APPLICATION FOR EXTENSION
OF TIME TO FILE MARYLAND
INDIVIDUAL INCOME TAX RETURN

1986

Please Print or Type

First Name(s) and Initial(s) (If joint return, use first names and middle initials of both) RICHARD	Last Name(s) SHOPER	Your Social Security Number 219 28 1068
PRESENT Address (Number and Street) 216 ST. DUNSTONS RD		Spouse's Number, if joint declaration
City, State BALTO. MD.	Zip Code 21212	County of Residence

I request an automatic 4-month extension of time to August 17, 1987 to file for the calendar year 1986 (or if for a fiscal year to _____, 19____, for the tax year ending _____, 19____).

Complete the following:

Federal automatic extension has been requested Yes No

Reason extension is needed: (Complete only if above answer is No)

1. Total income tax liability for 1986. (You may estimate this amount) 1

NOTE: You must enter an amount on line 1. If you do not expect to owe tax, enter zero (0).

2. Maryland income tax withheld 2

3. 1986 Estimated tax payments 3

4. Other payments and credits 4

5. Add lines 2, 3, and 4 5

6. Income tax balance due (Subtract line 5 from line 1). Pay in full with this form. If line 5 is more than line 1, enter zero (0) 6

		1000	
1000			
		1000	
		-0-	

Instructions

Mail this form to the Comptroller of the Treasury, Income Tax Division, Individual Extension Request, Annapolis, Maryland 21411-0001 and pay the amount shown on line 6. This is not an extension of time for payment of a tax. A copy of this extension must be attached to your return when filed. See reverse for additional instructions.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete; and, if prepared by someone other than the taxpayer, that I am authorized to prepare this form.

Signature of taxpayer Date

Signature of spouse Date

(If filing jointly, BOTH must sign even if only one had income)

Signature of preparer other than taxpayer *Nennett E. Edwards CPA* Date *4-14-87*

Office of the Comptroller
Income Tax Division
State Income Tax Building
Annapolis, Maryland 21411

Re: RICHARD SHOFER
219-28-1068

Gentlemen:

An extension of time until October 15, 1987 is hereby requested in order to file Form 502 for the year 1986 for the above referenced taxpayer.

A copy of the previously filed extension, Form 502E, is attached.

Sincerely,

GRABUSH, NEWMAN & CO., P.A.

INCOME TAX RETURNS

RICHARD SHOFER

1987

PERCUD-Byeans, N. J.
**PLAINTIFF'S
EXHIBIT**
NO. 15 *per*

PERCUD-Byeans, N. J.
**DEPOSITION
EXHIBIT**
Shofer #1-J

1 Control number		OMB No. 1545-0008	
2 Employer's name, address, and ZIP code Catalina Enterprises, Inc. t/a Crown Motors 5006 Liberty Heights Avenue Baltimore, Maryland, 21207		3 Employer's identification number 52-0820445	4 Employer's state I.D. number 187544-6
5 Statutory employee <input type="checkbox"/>		Deceased <input type="checkbox"/>	Pension plan <input type="checkbox"/>
6 Allocated tips		Legal rep. <input type="checkbox"/>	942 emp. <input type="checkbox"/>
8 Employee's social security number 219-28-1068		7 Advance EIC payment	
9 Federal income tax withheld 3150.30		10 Wages, tips, other compensation 200,000.00	11 Social security tax withheld 3130.70
12 Employee's name, address, and ZIP code Richard Shofer 216 St. Dunstons Rd. Baltimore, Maryland 21212		13 Social security wages 43,800.00	14 Social security tips -0-
17 State income tax 2700.00		16	18a Fringe benefits incl. in Box 10
18 State wages, tips, etc. 200,000		17 State income tax	18 State wages, tips, etc.
19 Name of state Md		20 Local income tax	19 Name of state
21 Local wages, tips, etc.		22 Name of locality	20 Local income tax

Form **W-2 Wage and Tax Statement 1987**
This information is being furnished to the Internal Revenue Service.

Copy C For EMPLOYEE'S RECORDS
Dept. of the Treasury

1040 U.S. Individual Income Tax Return 1987

For the year January-December 31, 1987, or other tax year beginning 1987, ending 19 OMB No. 1545-0074

Your first name and initial (if joint return, also give spouse's name and initial) **RICHARD** Last name **SHOFER** Your social security number **219-28-1068**

Present home address **216 ST. DUNSTANS RD.** Spouse's social security no. _____

City, town or post office, state and ZIP code **BALTIMORE MD 21212** For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Presidential Election Campaign Do you want \$1 to go to this fund? Yes No **Note: Checking "Yes" will not change your tax or reduce your refund.**

If joint return, does your spouse want \$1 to go to this fund? Yes No

Filing Status

1 Single

2 Married filing joint return (even if only one had income)

3 Married filing separate return. Enter spouse's social security number above and full name here. _____

4 Head of household (with qualifying person). (See page 7 of Instructions.) If the qualifying person is your child but not your dependent, enter child's name here. _____

5 Qualifying widow(er) with dependent child (year spouse died ▶ 19 _____). (See page 7 of Instructions.)

Exemptions Caution: If you can be claimed as a dependent on another person's tax return (such as your parents' return), do not check box 6a. But be sure to check the box on line 32b on page 2.

(See Instructions on page 7.)

6a Yourself 6b Spouse

c Dependents	(2) Check if under age 5	(3) If age 5 or over, dependent's social security number	(4) Relationship	(5) No. of months lived in your home in 1987	No. of boxes checked on 8a and 8b
ANDY		212-15-7415	SON	12	1
					1

d If your child didn't live with you but is claimed as your dependent under a pre-1985 agreement, check here Add numbers entered in boxes above **2**

e Total number of exemptions claimed (also complete line 35) **2**

Income

7 Wages, salaries, tips, etc. (attach Forms W-2) **SEE STATEMENT 1** **7** **200,000.**

8 Taxable interest income (also attach Schedule B if over \$400) **8** **192.**

9 Tax-exempt interest income (see pg. 10) DON'T include on line 8 **9** _____

10 Dividend income (also attach Schedule B if over \$400) **10** _____

11 Taxable refunds of state and local income taxes, if any, from worksheet on page 11 of Instructions **11** _____

12 Alimony received **12** _____

13 Business income or (loss) (attach Schedule C) **13** _____

14 Capital gain or (loss) (attach Schedule D) **14** **-3,000.**

15 Other gains or (losses) (attach Form 4797) **15** _____

16a Pensions, IRA distributions, annuities, and rollovers. Total received **16a** **65,577.**

16b Taxable amount (see page 11) **16b** **0.**

17 Rents, royalties, partnerships, estates, trusts, etc. (attach Schedule E) **17** **11,884.**

18 Farm income or (loss) (attach Schedule F) **18** _____

19 Unemployment compensation (insurance) (see page 11) **19** _____

20a Social security benefits (see page 12) **20a** _____

20b Taxable amount, if any, from the worksheet on page 12 **20b** _____

21 Other income (list type and amount-see page 12) **21** _____

22 Add the amounts shown in the far right column for lines 7, 8, and 10-21. This is your total income ▶ **22** **209,076.**

Adjustments to Income

23 Reimbursed employee business expenses **23** _____

24a Your IRA deduction, from applicable worksheet on page 13 or 14 **24a** _____

24b Spouse's IRA deduction, from applicable worksheet on page 13 or 14 **24b** _____

25 Self-employed health insurance deduction, from worksheet on page 14 **25** _____

26 Keogh retirement plan and self-employed SEP deduction **26** _____

27 Penalty on early withdrawal of savings **27** _____

28 Alimony paid (last name _____ and social security no. _____) **28** _____

29 Add lines 23 through 28. ▶ **29** **0.**

AGI 30 Subtract line 29 from line 22. This is your adjusted gross income. ▶ **30** **209,076.**

Tax Compu- tation	31	Amount from line 30 (adjusted gross income)	31	209,076.
	32a	Check if: <input type="checkbox"/> You were 65 or over <input type="checkbox"/> Blind; <input type="checkbox"/> Spouse was 65 or over <input type="checkbox"/> Blind. Add the number of boxes checked and enter the total here ▶ 32a		
	b	If you can be claimed as a dependent on another person's return, check here ▶ 32b <input type="checkbox"/>		
	c	If you are married filing a separate return and your spouse itemizes deductions, or you are a dual-status alien, see page 15 and check here ▶ 32c <input type="checkbox"/>		
	33a	Itemized deductions. See page 15 to see if you should itemize. If you don't itemize, enter zero. If you do itemize, attach Schedule A, enter the amount from Schedule A, line 28, AND skip line 33b.	33a	164,826.
	Caution: ← b	Standard deduction. Read Caution to left. If it applies, see page 16 for the amount to enter. If Caution doesn't apply and your filing status from page 1 is: Single or Head of household, enter \$2,640 Married filing jointly or Qualifying widow(er), enter \$3,760 Married filing separately, enter \$1,880	33b	
	34	Subtract line 33a or 33b, whichever applies, from line 31. Enter the result here	34	44,250.
	35	Multiply \$1,900 by the total number of exemptions claimed on line 6e or see chart on page 16	35	3,800.
	36	Taxable income. Line 34 less line 35. Enter the result (but not less than zero) Caution: If under age 14 and you have more than \$1,000 of investment income, check here <input type="checkbox"/> and see page 16 to see if you have to use Form 8615 to figure your tax.	36	40,450.
	37	Enter tax. Check if from <input checked="" type="checkbox"/> Tax Table, <input type="checkbox"/> Tax Rate Schedules, <input type="checkbox"/> Schedule D, or <input type="checkbox"/> Form 8615	37	8,416.
38	Additional taxes (see page 16). Check if from <input type="checkbox"/> Form 4970 or <input type="checkbox"/> Form 4972	38		
39	Add lines 37 and 38. Enter the total ▶	39	8,416.	
Credits (See instructions on page 17.)	40	Credit for child and dependent care expenses (Form 2441)	40	
	41	Credit for the elderly or for the permanently and totally disabled (Sch. R)	41	
	42	Add lines 40 and 41. Enter the total	42	
	43	Subtract line 42 from line 39. Enter the result (but not less than zero)	43	8,416.
	44	Foreign tax credit (attach Form 1116)	44	
	45	General business credit. Check if from <input type="checkbox"/> Form 3800, <input type="checkbox"/> Form 3468, <input type="checkbox"/> Form 5884, <input type="checkbox"/> Form 6478, <input type="checkbox"/> Form 8785, or <input type="checkbox"/> Form 8586	45	
	46	Add lines 44 and 45. Enter the total	46	
47	Subtract line 46 from line 43. Enter the result (but not less than zero) ▶	47	8,416.	
Other Taxes (Including Advance EIC Payments)	48	Self-employment tax (attach Schedule SE)	48	
	49	Alternative minimum tax (attach Form 6251)	49	16,590.
	50	Tax from recapture of investment credit (attach Form 4255)	50	
	51	Social security tax on tip income not reported to employer (attach Form 4137)	51	
	52	Tax on an IRA or a qualified retirement plan (attach Form 5329)	52	
	53	Add lines 47 through 52. ▶	53	25,006.
Payments	54	Federal income tax withheld	54	3,150.
	55	1987 estimated tax payments and amount applied from 1986 return	55	
	56	Earned income credit (see page 18)	56	
	57	Amount paid with Form 4868 (extension request)	57	12,000.
	58	Excess social security tax and RRTA tax withheld (see page 19)	58	
	59	Credit for Federal tax on gasoline and special fuels (attach Form 4136)	59	
	60	Regulated investment company credit (attach Form 2439)	60	
61	Add lines 54 through 60. These are your total payments ▶	61	15,150.	
Refund or Amount You Owe	62	If line 61 is larger than line 53, enter amount OVERPAID ▶	62	
	63	Amount of line 62 to be REFUNDED TO YOU ▶	63	
64	Amount of line 62 to be applied to your 1988 estimated tax ▶ 64			
65	If line 53 is larger than line 61, enter AMOUNT YOU OWE. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number, daytime phone number, and "1987 Form 1040" on it. Check <input checked="" type="checkbox"/> if Form 2210 (2210F) is attached. See page 20. Penalty: \$ 45.	65	9,901.**	

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign Here	Your signature	Date	Your occupation
	<i>Kenneth E. Karasz</i>	10/11/88	CORP. EXEC.
	Spouse's signature (if joint return, BOTH must sign)	Date	Spouse's occupation

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's social security no.
	<i>Kenneth E. Karasz</i>	10/11/88		214-50-8023
	Firm's name (or years if self-employed) and address	E.I. No.	ZIP code	
	GRABUSH, NEWMAN & CO. P.A. CPA'S BALTIMORE, MARYLAND	52-1134882	21210	

**INTEREST 510. **PENALTY-FAILURE TO PAY TAX 296. H788
**TOTAL DUE 10,707.

SCHEDULES A&B (Form 1040) Department of the Treasury Internal Revenue Service

Schedule A - Itemized Deductions

(Schedule B is on back)

OMB NO. 1545-0074

1987

Attachment Sequence No. 07

Attach to Form 1040. See Instructions for Schedules A and B (Form 1040).

Name(s) as shown on Form 1040

RICHARD SHOFER

Your social security number

219-28-1068

Table with columns for category, line number, description, amount, and total. Includes sections for Medical and Dental Expenses, Taxes You Paid, Interest You Paid, Contributions You Made, Casualty and Theft Losses, Moving Expenses, Miscellaneous Deductions, and Total Itemized Deductions.

SEE STMT 11

SCHEDULE D (FORM 1040)

Capital Gains and Losses and Reconciliation of Forms 1099-B

OMB No. 1545-0074

1987

Attachment Sequence No. 12

Department of the Treasury Internal Revenue Service

Attach to Form 1040. See Instructions for Schedule D (Form 1040). For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Name(s) as shown on Form 1040: RICHARD SHOFER. Your social security number: 219-28-1068

1 Report here, the total sales of stocks, bonds, etc., reported for 1987 by your broker to you on Form(s) 1099-B or an equivalent substitute statement(s). If this amount differs from the total of lines 2b and 9b, column (d), attach a statement explaining the difference. See the instructions for line 1 for examples. Do not include real estate transactions reported to you on a Form 1099-B on line 1, 2a, or 9a.

Part I Short-term Capital Gains and Losses - Assets Held Six Months or Less

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Sales price, (e) Cost or other basis, (f) LOSS, (g) GAIN. Includes rows for 2a Form 1099-B Transactions, 2b Total, 2c Other Transactions, and summary rows 3-8.

Part II Long-term Capital Gains and Losses - Assets Held More Than Six Months

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Sales price, (e) Cost or other basis, (f) LOSS, (g) GAIN. Includes rows for 9a Form 1099-B Transactions, 9b Total, 9c Other Transactions, and summary rows 10-17.

RICHARD SHOFER

S.S.N. 219-28-1068

1987

OWNER OCCUPANCY AMOUNT FOR 15 L MAHOGANY RUN

	<u>Total</u>	<u>Rental</u>	<u>Personal</u>
Repairs	\$ 321	\$ 171	\$ 150
Advertising	498	265	233
Auto & Travel	2,511	1,334	1,177
Cleaning & Maintenance	1,156	614	542
Insurance	181	96	85
Interest	52,297	-	52,297
Taxes	1,670	78	1,592
Utilities	1,070	568	502
Cable TV	256	136	120
Condo Fees	<u>4,195</u>	<u>2,229</u>	<u>1,965</u>
	64,155	5,491	58,664
Less: Expenses limited to rental income	<u>-</u>	<u>(2,110)</u>	<u>2,110</u>
	<u>\$64,155</u>	<u>\$3,381</u>	<u>\$60,774</u>

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on page 1)

Your social security number

Part III Summary of Parts I and II

18	Combine lines 8 and 17, and enter the net gain or (loss) here. If result is a gain, also enter the gain on Form 1040, line 14.	18	-66,399.
Note: If lines 17 and 18 are net gains and your taxable income is taxed over the 28% tax rate, see Part IV below. You may be able to reduce your tax if you qualify for the alternative tax computation.			
19	If line 18 is a loss, enter here and as a loss on Form 1040, line 14, the smaller of: a The amount on line 18; or b \$3,000 (\$1,500 if married filing a separate return).	19	3,000.

Part IV Alternative Tax Computation

First complete Form 1040 through line 36.

Use Part IV if both lines 17 and 18 show net gains, AND:

You checked filing status box : AND Form 1040, line 36 is over :

You checked filing status box : AND Form 1040, line 36 is over :

1	\$27,000
2 or 5	45,000

3	\$22,500
4	38,000

20	Enter amount from Form 1040, line 36	20	
21	Enter the smaller of the gain on line 17 or the gain on line 18	21	
22	Subtract line 21 from 20 and enter the result	22	
23	Enter: a \$16,800 if you checked filing status box 1; b \$28,000 if you checked filing status box 2 or 5; c \$14,000 if you checked filing status box 3; or d \$23,000 if you checked filing status box 4	23	
24	Enter the greater of line 22 or line 23	24	
25	Subtract line 24 from line 20	25	
26	Figure the amount of tax on line 24. Use the Tax Table or Tax Rate Schedules, whichever applies.	26	
27	Multiply line 25 by 28% (.28) and enter the result	27	
28	Add lines 26 and 27. Enter the result here and on Form 1040, line 37 and check the box for Schedule D.	28	

Part V Computation of Capital Loss Carryovers From 1987 to 1988

(Complete this part if the loss on line 18 is more than the loss on line 19.)

29	Enter loss shown on line 8; if none, enter zero and skip lines 30 through 33	29	0.
30	Enter gain shown on line 17. If that line is blank or shows a loss, enter zero	30	
31	Subtract line 30 from line 29	31	
32	Enter smaller of line 19 or 31	32	
33	Subtract line 32 from line 31. This is your short-term capital loss carryover from 1987 to 1988	33	
34	Enter loss from line 17; if none, enter zero and skip lines 35 through 38	34	66,399.
35	Enter gain shown on line 8. If that line is blank or shows a loss, enter zero	35	0.
36	Subtract line 35 from line 34	36	66,399.
37	Subtract line 32 from line 19. (Note: If you skipped lines 30 through 33, enter the amount from line 19.)	37	3,000.
38	Subtract line 37 from line 36. This is your long-term capital loss carryover from 1987 to 1988.	38	63,399.

Part VI Complete This Part Only If You Elect Out of the Installment Method and Report a Note or Other Obligation at Less Than Full Face Value

39	Check here if you elect out of the installment method.	<input type="checkbox"/>
40	Enter the face amount of the note or other obligation.	
41	Enter the percentage of valuation of the note or other obligation.	

Part VII Reconciliation of Forms 1099-B For Bartering Transactions

Complete this part if you received one or more Form(s) 1099-B or an equivalent substitute statement(s) reporting bartering income.

Amount of bartering income from Form 1099-B or equivalent statement reported on form or schedule:

42	Form 1040, line 21	42	
43	Schedule C (Form 1040)	43	
44	Schedule D (Form 1040)	44	
45	Schedule E (Form 1040)	45	
46	Schedule F (Form 1040)	46	
47	Other (identify) (if not taxable, indicate reason - attach additional sheets if necessary)	47	
48	Total (add lines 42 through 47)	48	

Note: The amount on line 48 should be the same as the total bartering income on all Forms 1099-B or equivalent statements received.

SCHEDULE E
(Form 1040)
Department of the Treasury
Internal Revenue Service (4)

Supplemental Income Schedule

(From rents, royalties, partnerships, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, Form 1041, or Form 1041S.

▶ See Instructions for Schedule E (Form 1040).

OMB No. 1545-0074

1987

Attachment
Sequence No. 13

Name(s) as shown on Form 1040
RICHARD SHOFER

Your social security number
219-28-1068

Part I Rental and Royalty Income or (Loss) Caution: Your rental loss may be limited. See Instructions.

- 1 In the space provided below, show the kind and location of each rental property.
- 2 For each property listed, did you or a member of your family use for personal purposes any of the properties for more than the greater of 14 days or 10% of the total days rented at fair rental value during the tax year?
- 3 For each rental real estate property listed, did you actively participate in the operation of the activity during the tax year?

Yes No Yes No

SEE STATEMENT 3

A					
B					
C					

Rental and Royalty Income	Properties			Totals (Add columns A, B, and C)
	A	B	C	
4 Rents received	68,322.	.	.	4 68,322.
5 Royalties received SEE STMT 3				5
Rental and Royalty Expenses				
6 Advertising	6			
7 Auto and travel.	7			
8 Cleaning and maintenance.	8			
9 Commissions	9			
10 Insurance.	10			
11 Legal and other professional fees	11			
12 Mortgage interest paid to financial institutions (see Instructions)	12			12
13 Other interest	13			
14 Repairs	14			
15 Supplies	15			
16 Taxes (Do not include windfall profit tax here. See Part V, line 40.)	16			
17 Utilities	17			
18 Wages and salaries	18			
19 Other (list) ▶ SEE STMT 3	38,631.			
20 Total expenses other than depreciation and depletion. Add lines 6 through 19 FORM 4562 & STMT 3	20 38,631.			20 38,631.
21 Depreciation expense, or depletion	21 17,807.			21 17,807.
22 Total. Add lines 20 and 21	22 56,438.			
23 Income or (loss) from rental or royalty properties. Subtract line 22 from line 4 (rents) or 5 (royalties).	23 11,884.			
24 Deductible rental loss	24 45,190.			
25 Profits. Add rental and royalty profits from line 23, and enter the total profits here				25 57,074.
26 Losses. Add royalty losses from line 23 and rental losses from line 24, and enter the total (losses) here				26 -45,190.
27 Combine amounts on lines 25 and 26, and enter the net profit or (loss) here				27 11,884.
28 Net farm rental profit or (loss) from Form 4835. (Also complete Part VI, line 43.)				28
29 Total rental or royalty income or (loss). Combine amounts on lines 27 and 28, and enter the total here. If Parts II, III, IV and V on page 2 do not apply to you, enter the amount from line 29 on Form 1040, line 17. Otherwise, include the amount from line 29 in line 42 on page 2 of Schedule E				29 11,884.

Form **6251**
Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax-Individuals
▶ Attach to Form 1040 or Form 1040NR. Estates and trusts, use Form 8656.

OMB No. 1545-0227

1987

Attachment
Sequence No. 32

Name(s) as shown on Form 1040
RICHARD SHOFER

Your social security number
219-28-1068

1	Taxable income from Form 1040, line 36 (can be less than zero)	1	40,450.
2	Net operating loss deduction (Do not enter as a negative amount)	2	
3	Add lines 1 and 2	3	40,450.
4	Adjustments:		
a	Standard deduction from Form 1040, line 33b	4a	
b	Medical and dental expense	4b	
c	Miscellaneous itemized deductions from Schedule A, line 24	4c	
d	Taxes from Schedule A, line 8	4d	10,868.
e	Interest from Schedule A, line 12b	4e	85,474.
f	Other interest adjustments	4f	
g	Depreciation of property placed in service after 1986	4g	63.
h	Circulation and research and experimental expenditures paid or incurred after 1986	4h	
i	Mining exploration and development costs paid or incurred after 1986	4i	
j	Long-term contracts entered into after 2/28/86	4j	
k	Pollution control facilities placed in service after 1986	4k	
l	Installment sales of certain property	4l	
m	Basis adjustment	4m	
n	Certain loss limitations	4n	
o	Tax shelter farm loss	4o	
p	Passive activity loss	4p	4,904.
q	Beneficiaries of estates and trusts	4q	
r	Personal exemptions	4r	
s	Total adjustments (combine lines 4a through 4r)	4s	101,309.
5	Tax preference items:		
a	Accelerated depreciation of real property placed in service before 1987	5a	
b	Accelerated depreciation of leased personal property placed in service before 1987	5b	
c	Amortization of certified pollution control facilities placed in service before 1987	5c	
d	Appreciated property charitable deduction	5d	
e	Incentive stock options	5e	
f	Tax-exempt interest from private activity bonds issued after August 7, 1986	5f	
g	Intangible drilling costs	5g	
h	Depletion	5h	
i	Reserves for losses on bad debts of financial institutions	5i	
j	Total tax preference items (add lines 5a through 5i)	5j	
6	Combine lines 3, 4s, and 5j	6	141,759.
7	Alternative tax net operating loss deduction (Do not enter more than 90% of line 6)	7	
8	Alternative minimum taxable income (subtract line 7 from line 6)	8	141,759.
9	Enter: \$40,000 (\$20,000 if married filing separately; \$30,000 if single or head of household)	9	30,000.
10	Enter: \$150,000 (\$75,000 if married filing separately; \$112,500 if single or head of household)	10	112,500.
11	Subtract line 10 from line 8. If zero or less, enter zero.	11	29,259.
12	Multiply line 11 by 25% (.25)	12	7,315.
13	Subtract line 12 from line 9. If zero or less, enter zero.	13	22,685.
14	Subtract line 13 from line 8. If zero or less, enter zero.	14	119,074.
15	Multiply line 14 by 21% (.21)	15	25,006.
16	Alternative minimum tax foreign tax credit	16	
17	Tentative minimum tax (subtract line 16 from line 15)	17	25,006.
18	Regular tax before credits (Form 1040, line 37) minus foreign tax credit (Form 1040, line 44)	18	8,416.
19	Alternative minimum tax (subtract line 18 from line 17). Enter on Form 1040, line 49	19	16,590.

For Paperwork Reduction Act Notice, see separate instructions.

Form 6251 (1987)

Form **2210**

Department of the Treasury
Internal Revenue Service

Underpayment of Estimated Tax by Individuals and Fiduciaries

▶ Attach to Form 1040 or Form 1041

OMB No. 1545-0140

1987

Attachment
Sequence No. 58

Name(s) as shown on tax return
RICHARD SHOFER

Identifying number
219-28-1068

IMPORTANT NOTES

In most cases, IRS can figure the penalty for you and you do not have to complete this form. See the separate instructions for more information. For 1987, you will not owe a penalty for any underpayment of your taxes, and you do not need to complete this form if you have salary income on Form 1040, line 7, that is equal to or greater than your adjusted gross income on Form 1040, line 31. If you have salary income that is less than your adjusted gross income, part of the penalty will be waived. You can complete this form through line 32 to figure the net penalty. Or, if you choose, IRS will figure the penalty for you in most cases. See the separate instructions.

Part I Figuring Your Underpayment

1 1987 tax after credits (from Form 1040, line 47 or Form 1041, line 26)	1	8,416.
2 Other taxes	2	16,590.
3 Add lines 1 and 2	3	25,006.
4 Earned income credit	4	
5 Credit for federal tax on gasoline and special fuels	5	
6 Credit for overpaid windfall profit tax attributable to amounts withheld	6	
7 Add lines 4, 5, and 6	7	0.
8 Subtract line 7 from line 3	8	25,006.
9 Multiply line 8 by 80% (.80)	9	20,005.
10 Withholding taxes from 1987 Form 1040, lines 54 and 58. (or Form 1041, line 31c). (Include any credit from Form 4469.)	10	3,150.
11 Subtract line 10 from line 8. If the result is less than \$500, do not complete rest of form.	11	21,856.
12 Enter your 1986 tax	12	23,446.
13 Enter the smaller of line 9 or line 12	13	20,005.

14 Divide line 13 by four (4) and enter result in each column. However, if you use the annualized income installment method, complete the worksheet in the instructions and enter the amount from line 26 in each column of line 14.

Complete lines 15 through 22 for one column before completing the next column.

15 Estimated tax paid and withheld. (For column (a) only, enter the amount from line 15 on line 19)

If line 15 is equal to or more than line 14 for all payment periods, do not complete the rest of this form. However, if you used the annualized income installment method, you must attach this form to your return.

16 Enter amount, if any, from line 22 of previous column

17 Add lines 15 and 16

18 Add amounts on lines 20 and 21 of the previous column and enter the result

19 Enter line 17 minus line 18. If zero or less, enter zero. (For column (a) only, enter the amount from line 15)

20 Remaining underpayment from previous period. If the amount on line 19 is zero, enter line 18 minus line 17

21 UNDERPAYMENT. If line 14 is larger than or equal to line 19, enter line 14 minus line 19. Then go to line 15 of next column. Otherwise, go to line 22

22 OVERPAYMENT. If line 19 is larger than line 14, enter line 19 minus line 14. Then go to line 15 of next column

	Payment Due Dates			
	(a) Apr. 15, 1987	(b) June 15, 1987	(c) Sept. 15, 1987	(d) Jan. 15, 1988
14	5,001.	5,001.	5,001.	5,002.
15	788.	788.	787.	787.
16				
17		788.	787.	787.
18		4,213.	8,426.	12,640.
19	788.	0.	0.	0.
20		3,425.	7,639.	11,853.
21	4,213.	5,001.	5,001.	5,002.
22				

PART II Figuring the Penalty

		Payment Due Dates				
		(a)	(b)	(c)	(d)	
		Apr. 15, 1987	June 15, 1987	Sept. 15, 1987	Jan. 15, 1988	
23	Underpayment from line 21, page 1	4,213.	5,001.	5,001.	5,002.	
Rate Period 1.- 9% (April 15, 1987 - September 30, 1987)						
24a	Computation starting date for this period	Apr. 15, 1987	June 15, 1987	Sept. 15, 1987		
b	Number of days FROM the date on line 24a TO the date line 23 was paid or September 30, 1987, whichever is earlier	Days	Days	Days		
24b						
c	Number of days on line 24b x 9% x underpayment on line 23					
24c	365	\$	\$	\$		
Rate Period 2 - 10% (October 1, 1987 - December 31, 1987)						
25a	Computation starting date for this period	Sept. 30, 1987	Sept. 30, 1987	Sept. 30, 1987		
b	Number of days FROM the date on line 25a TO the date line 23 was paid or December 31, 1987, whichever is earlier	Days	Days	Days		
25b						
c	Number of days on line 25b x 10% x underpayment on line 23					
25c	365	\$	\$	\$		
Rate Period 3 - 11% (January 1, 1988 - April 15, 1988)						
26a	Computation starting date for this period	Dec. 31, 1987	Dec. 31, 1987	Dec. 31, 1987	Jan. 15, 1988	
b	Number of days FROM the date on line 26a TO the date line 23 was paid or April 15, 1988, whichever is earlier	Days	Days	Days	Days	
26b						
c	Number of days on line 26b x 11% x underpayment on line 23					
26c	366	\$	\$	\$	\$	
27	Penalty (add all amounts on lines 24c, 25c, and 26c in all columns). Form 1040 filers, if you have an entry on Form 1040, line 7, complete lines 28 through 32. Otherwise, enter the amount from line 27 in the space provided on Form 1040, line 65 and check the box on that line. Form 1041 filers, enter the amount from line 27 in the space provided on Form 1041, line 35 and check the box on that line					27 \$ 1,137.
28	Enter amount from Form 1040, line 7			200,000.		28 \$
29	Enter adjusted gross income from Form 1040, line 31			209,076.		29 \$
30	Divide line 28 by line 29 and enter the result as a decimal amount. Do not enter more than 1.0			0.96		30
31	Multiply line 27 by line 30. This is the amount of your penalty to be waived					31 \$ 1,092.
32	Subtract line 31 from line 27. Enter this amount in the space provided on Form 1040, line 65 and check the box on that line					32 \$ 45.

Form **4562**

Depreciation and Amortization

OMB No. 1545-0172

1987

Attachment Sequence No. 67

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach this form to your return.

Name(s) as shown on return

Identifying number

RICHARD SHOFER

219-28-1068

Business or activity to which this form relates

SCHEDULE E - RENTS

Part I Depreciation (Do not use this part for automobiles, certain other vehicles, computers, and property used for entertainment, recreation, or amusement. Instead, use Part III.)

Section A - Election To Expense Depreciable Assets Placed in Service During This Tax Year (Section 179)

(a) Description of property	(b) Date placed in service	(c) Cost	(d) Expense deduction
1			
2 Listed property - Enter total from Part III, Section A, column (h)			
3 Total (add lines 1 and 2, but do not enter more than \$10,000)			
4 Enter the amount, if any, by which the cost of all section 179 property placed in service during this tax year is more than \$200,000			
5 Subtract line 4 from line 3. If result is less than zero, enter zero. (See instructions for other limitations)			

Section B - Depreciation

(a) Class of property	(b) Date placed in service	(c) Basis for depreciation (Business use only-see instructions)	(d) Recovery period	(e) Method of figuring depreciation	(f) Deduction
6 Accelerated Cost Recovery System (ACRS): For assets placed in service ONLY during tax year beginning in 1987					
a 3-year property					
b 5-year property SEE STATEMENT 3		500			100.
c 7-year property					
d 10-year property					
e 15-year property					
f 20-year property					
g Residential rental property					
h Nonresidential real property SEE STATEMENT 3		38,142			354.
7 Listed property - Enter total from Part III, Section A, column (g)					
8 ACRS deduction for assets placed in service prior to 1987		SEE STATEMENT 3			15,767.

Section C - Other Depreciation

9 Property subject to section 168(f)(1) election	SEE STATEMENT 3	
10 Other depreciation	SEE STATEMENT 3	1,586.

Section D - Summary

11 Total (add deductions on lines 5 through 10). Enter here and on the Depreciation line of your return (Partnerships and S corporations - Do NOT include any amounts entered on line 5).	17,807.
12 For assets above placed in service during the current year, enter the portion of the basis attributable to additional section 263A costs. (See instructions for who must use.)	

Part II Amortization

(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
1 Amortization for property placed in service only during tax year beginning in 1987					
2 Amortization for property placed in service prior to 1987. SEE STATEMENT 3					115.
3 Total. Enter here and on Other Deductions or Other Expenses line of your return					115.

See Paperwork Reduction Act Notice on page 1 of the separate instructions.
H788

Part III Automobiles, Certain Other Vehicles, Computers, and Property Used for Entertainment, Recreation, or Amusement (Listed Property).

If you are using the standard mileage rate or deducting vehicle lease expense, complete columns (a) through (d) of Section A, all of Section B, and Section C if applicable.

Section A. - Depreciation (If automobiles and other listed property placed in service after June 18, 1984, are used 50% or less in a trade or business, the Section 179 deduction is not allowed and depreciation must be taken using the straight line method over 5 years. For other limitations, see instructions.)

Table with 8 columns: (a) Type of property, (b) Date placed in service, (c) Business use percent - age (%), (d) Cost or other basis, (e) Basis for depreciation, (f) Depreciation method and recovery period, (g) Depreciation deduction, (h) Section 179 expense. Includes rows for 'Total' and shaded cells for deductions.

Section B. - Information Regarding Use of Vehicles

Complete this section as follows, if you deduct expenses for vehicles:

- Always complete this section for vehicles used by a sole proprietor, partner, or other more than 5% owner or related person.
If you provided vehicles to employees, first answer the questions in Section C to see if you meet an exception to completing this section for those items.

Table with 7 rows of questions and 6 columns of vehicles (Vehicle 1-6). Each vehicle column has 'Yes' and 'No' sub-columns. Questions include total miles driven, business miles, commuting miles, and personal use availability.

Section C. - Questions for Employers Who Provide Vehicles for Use by Employees.

(Answer these questions to determine if you meet an exception to completing Section B. Note: Section B must always be completed for vehicles used by sole proprietors, partners, or other more than 5% owners or related persons.)

Table with 12 rows of questions and 2 columns (Yes, No). Questions include: 8. Do you maintain a written policy statement that prohibits all personal use of vehicles... 9. Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting... 10. Do you treat all use of vehicles by employees as personal use? 11. Do you provide more than five vehicles to your employees... 12. Do you meet the requirements concerning fleet vehicles or qualified automobile demonstration use?

Note: If your answer to 8, 9, 10, 11, or 12 is "Yes," you need not complete Section B for the covered vehicles.

Form **4952**
Department of the Treasury
Internal Revenue Service

Investment Interest Expense Deduction

▶ Attach to your tax return.

OMB No. 1545-0191

1987

Attachment
Sequence No. 72

Name(s) as shown on return
RICHARD SHOFER

Identifying number
219-28-1068

Kind of return ▶		<input checked="" type="checkbox"/> Individual	<input type="checkbox"/> Estate	<input type="checkbox"/> Trust
1	Interest expense on investment debts paid or accrued in 1987			1
2	Disallowed investment interest from 1986 Form 4952, lines 14, 26, and 35		25,084.	
3	Taxable income from 1986 Form 1040 or Form 1041. Do not enter less than zero		59,095.	
4	Carryover from 1986. Enter the smaller of lines 2 or 3			25,084.
5	Total investment interest. Add lines 1 and 4			25,084.
6	Net investment income		192.	
7	Subtract line 6 from line 5. (If result is zero or less, skip lines 8 through 14 and enter the amount from line 5 on line 15)		24,892.	
8	Enter the smaller of lines 4 or 7		24,892.	
9	Subtract line 8 from line 7			
10a	Individuals, enter \$10,000 (\$5,000 if married filing separate return)	10a	10,000.	
	b Estates, enter \$10,000; trusts, enter zero	10b		
11	Enter the smaller of line 9 or line 10			11
12	Subtract line 11 from line 9			12
13	Multiply line 11 by 35% (.35)			13
14	Disallowed investment interest. Add lines 8, 12, and 13			24,892.
15	Allowable investment interest. Subtract line 14 from line 5			192.

Form **8598**

Home Mortgage Interest

OMB No 1545-1009

1987

Attachment Sequence No. 85

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040.
▶ See Separate Instructions

Name(s) as shown on Form 1040

Year social security number

RICHARD SHOFER

219-28-1068

Part I Complete To See If You Can Deduct All Home Mortgage Interest

Note: Complete a separate Form 8598 if you have two qualified homes.

1	Figure the average balance for 1987 of each mortgage on your home using one of the methods provided on page 2 of the separate instructions. Then add the average balance of each mortgage and enter the total	1	188,385.
2	Enter the purchase price of the home plus the cost of any improvements	2	226,610.
3	If you took out a mortgage on your home before August 17, 1986, other than to buy your home, enter the pre-August 17 amount as determined in the separate instructions. Otherwise, enter zero	3	159,028.
4	Enter the larger of the amount on line 2, or the amount on line 3	4	226,610.

● If line 4 is more than or equal to line 1, STOP HERE. Enter on Schedule A (Form 1040), line 9a or 9b, as applicable, ALL interest paid on the mortgages included on line 1.

● If line 4 is less than line 1, read the instructions to see if you must complete Part II or Part III.

Part II Simplified Method To Figure Deductible Home Mortgage Interest

5	Enter the total interest paid for 1987 on the mortgages included on line 1. If you have deductible points, see the separate instructions	5	
6	Divide the amount on line 4 by the amount on line 1 and enter the result as a decimal (to two places)	6	
7	Multiply the amount on line 5 by the decimal amount on line 6 and enter the result. Also, enter this amount on Schedule A (Form 1040), line 9a or 9b, as applicable, as home mortgage interest	7	
8	Subtract the amount on line 7 from the amount on line 5, and enter the result. Also, enter this amount on Schedule A (Form 1040), line 12a, as personal interest	8	

For Paperwork Reduction Act Notice, see separate instructions.

Form 8598 (1987)

Form **8598**

Home Mortgage Interest

OMB No 1545-1009

1987

Attachment Sequence No. 85

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040.
▶ See Separate Instructions

Name(s) as shown on Form 1040

Your social security number

RICHARD SHOFER

219-28-1068

Part I Complete To See If You Can Deduct All Home Mortgage Interest

Note: Complete a separate Form 8598 if you have two qualified homes.

1	Figure the average balance for 1987 of each mortgage on your home using one of the methods provided on page 2 of the separate instructions. Then add the average balance of each mortgage and enter the total	1	249,909.
2	Enter the purchase price of the home plus the cost of any improvements	2	247,788.
3	If you took out a mortgage on your home before August 17, 1986, other than to buy your home, enter the pre-August 17 amount as determined in the separate instructions. Otherwise, enter zero	3	249,909.
4	Enter the larger of the amount on line 2, or the amount on line 3	4	249,909.

● If line 4 is more than or equal to line 1, STOP HERE. Enter on Schedule A (Form 1040), line 9a or 9b, as applicable, ALL interest paid on the mortgages included on line 1.

● If line 4 is less than line 1, read the instructions to see if you must complete Part II or Part III.

Part II Simplified Method To Figure Deductible Home Mortgage Interest

5	Enter the total interest paid for 1987 on the mortgages included on line 1. If you have deductible points, see the separate instructions	5	
6	Divide the amount on line 4 by the amount on line 1 and enter the result as a decimal (to two places)	6	
7	Multiply the amount on line 5 by the decimal amount on line 6 and enter the result. Also, enter this amount on Schedule A (Form 1040), line 9a or 9b, as applicable, as home mortgage interest	7	
8	Subtract the amount on line 7 from the amount on line 5, and enter the result. Also, enter this amount on Schedule A (Form 1040), line 12a, as personal interest	8	

For Paperwork Reduction Act Notice, see separate instructions.

Form 8598 (1987)

Form **8582**

Passive Activity Loss Limitations

Department of the Treasury
Internal Revenue Service

▶ See separate instructions
▶ Attach to Forms 1040, 1041, or 1120 (Personal service corporation and closely held C corporations).

1987
Attachment Sequence No. 88

Name(s) as shown on return
RICHARD SHOFER

Identifying number
219-28-1068

Part I Computation of 1987 Passive Activity Loss

Caution: See the worksheets on page 4 of the instructions before completing Part I.

Rental Real Estate Activities With Active Participation (See the definition of active participation under Rental Activities on page 2 of the instructions.)		
Activities acquired before 10-23-86:		
1a	Activities with net income	55,606.
1b	Activities with net loss	-45,190.
1c	Combine lines 1a and 1b	10,416.
Activities acquired after 10-22-86:		
1d	Activities with net income	1,468.
1e	Activities with net loss	0.
1f	Combine lines 1d and 1e	1,468.
1g	Net income or (loss). Combine lines 1c and 1f	11,884.
All Other Passive Activities (See Lines 2a through 2g on page 4 of the instructions.)		
Activities acquired before 10-23-86:		
2a	Activities with net income	
2b	Activities with net loss	
2c	Combine lines 2a and 2b	
Activities acquired after 10-22-86:		
2d	Activities with net income	
2e	Activities with net loss	
2f	Combine lines 2d and 2e	
2g	Net income or (loss). Combine lines 2c and 2f	
3	Combine lines 1g and 2g. If the result is net income, see the instructions for line 3. If this line and line 1g are both losses, go to line 4; otherwise, enter -0- on line 9 and go to line 10.	11,884.

Part II Computation of the Special Allowance for Rental Real Estate With Active Participation

Note: Before completing Parts II and III, see page 4 of the instructions for how to treat numbers as if they were all positive.

4	Enter the smaller of the loss on line 1g or the loss on line 3	
5	Enter \$150,000 (\$75,000 if married filing separately and you lived apart for the entire year).	
6	Enter modified adjusted gross income, but not less than -0-. If line 6 is equal to or greater than line 5, skip lines 7 and 8, enter -0- on line 9, and then go to line 10. Otherwise, go to line 7.	
7	Subtract line 6 from line 5	
8	Multiply line 7 by 50% (.5). Do not enter more than \$25,000 (\$12,500 if married filing separately and you lived apart for the entire year).	
9	Enter the smaller of line 4 or line 8	

Part III Computation of Passive Activity Loss Allowed

10	Combine lines 1c and 2c and enter the result. If the result is -0- or net income, skip to line 16.	
11a	If line 9 is -0-, enter -0- on line 11 and go to line 12.	
11b	If line 1c shows income, has no entry, or shows -0-, enter -0- on line 11. Otherwise, enter the smaller of line 1c or line 8	
12	Subtract line 11 from line 10. If line 11 is equal to or greater than line 10, enter -0-.	
13	Subtract line 9 from line 3	
14	Enter the smaller of line 12 or line 13	
15	Multiply line 14 by 65% (.65) and enter the result	
16	Enter the amount from line 9	
17	Passive Activity Loss Allowed for 1987. Add lines 15 and 16.	
18	Add the income, if any, on lines 1a, 1d, 2a, and 2d and enter the result	
19	Total losses allowed from all passive activities for 1987. Add lines 17 and 18. See page 5 of the instructions to see how to report the losses on your tax return	45,190.

"ALT MIN TAX"

Passive Activity Loss Limitations

OMB No. 1545-1008

Form 8582

See separate instructions

Attach to Forms 1040, 1041, or 1120 (Personal service corporation and closely held C corporations).

1987

Attachment Sequence No. 88

Department of the Treasury Internal Revenue Service

Name(s) as shown on return RICHARD SHOFER

Identifying number 219-28-1068

Part I Computation of 1987 Passive Activity Loss

Caution: See the worksheets on page 4 of the instructions before completing Part I.

Rental Real Estate Activities With Active Participation (See the definition of active participation under Rental Activities on page 2 of the instructions.)

Activities acquired before 10-23-86:

Table with 2 columns: Description (1a, 1b, 1c) and Amount (55,606, -40,286, 15,320)

Activities acquired after 10-22-86:

Table with 2 columns: Description (1d, 1e, 1f) and Amount (1,531, 0, 1,531)

Summary row 1g: Net income or (loss). Combine lines 1c and 1f. Amount: 16,851.

All Other Passive Activities (See Lines 2a through 2g on page 4 of the instructions.)

Activities acquired before 10-23-86:

Table with 2 columns: Description (2a, 2b, 2c) and Amount (blank)

Activities acquired after 10-22-86:

Table with 2 columns: Description (2d, 2e, 2f) and Amount (blank)

Summary row 2g: Net income or (loss). Combine lines 2c and 2f. Amount: blank

Summary row 3: Combine lines 1g and 2g. If the result is net income, see the instructions for line 3. If this line and line 1g are both losses, go to line 4; otherwise, enter -0- on line 9 and go to line 10. Amount: 16,851.

Part II Computation of the Special Allowance for Rental Real Estate With Active Participation

Note: Before completing Parts II and III, see page 4 of the instructions for how to treat numbers as if they were all positive.

Table with 2 columns: Description (4-9) and Amount (4: blank, 5: blank, 6: blank, 7: blank, 8: blank, 9: blank)

Part III Computation of Passive Activity Loss Allowed

Table with 2 columns: Description (10-19) and Amount (10: blank, 11: blank, 12: blank, 13: blank, 14: blank, 15: blank, 16: blank, 17: blank, 18: blank, 19: 40,286)

1987 FEDERAL INCOME TAX STATEMENTS

PAGE 1

STATEMENT 1 - WAGES, SALARIES, TIPS, ETC.

EMPLOYERS NAME AND ADDRESS	INCOME TAX WITHHELD	WAGES SALARIES TIPS, ETC	FICA	FICA WAGES FOR SCH SE
CATALINA ENTERPRISES, INC.	3,150	200,000	3,131	43,800
TOTAL WITHHELD, WAGES, & FICA	3,150	200,000	3,131	43,800

STATEMENT 2 - PENSION AND ANNUITY INCOME

ROLLOVER FROM A QUALIFIED PLAN

DESCRIPTION	AMOUNT OF DISTRIBUTION	AMOUNT OF ROLLOVER	TAXABLE PORTION
CATALINA PROFIT SHARING PLAN	65,577	65,577	0
TAXABLE INCOME FROM QUALIFIED PLAN DISTRIBUTIONS			0
OTHER PENSIONS AND ANNUITIES TOTAL AMOUNT RECEIVED	65,577		
TAXABLE AMOUNT			0

1987 FEDERAL INCOME TAX STATEMENTS

STATEMENT 3 - RENT AND ROYALTY INCOME

PROPERTY 1

DID YOU ACTIVELY PARTICIPATE IN THE OPERATIONS OF THIS PROPERTY
 YES(X) NO()
 OCCUPY PROPERTY GREATER THAN 14 DAYS OR 10 PERCENT DAYS RENTED
 YES() NO(X)

GAS STATION
 5000 LIBERTY HEIGHTS AVE.

RENTAL INCOME

59,000

EXPENSES

INSURANCE	300
TAXES - PROPERTY	1,508
DEPRECIATION	1,586

TOTAL DEDUCTIBLE EXPENSES

3,394

NET INCOME

55,606

 =====

DEPRECIATION CALCULATION

DATE ACQUIRED	COST OR BASIS	PRIOR YEARS DEPRECIATION	METHOD	YRS	PCT	CURRENT DEPRECIATION	
-----	-----	-----	-----	-----	-----	-----	
BUILDINGS (NONRECOVERY PROPERTY)							
BUILDING - 5000 LIBERTY							0
OTHER (NONRECOVERY PROPERTY)							
LAND							
10/01/78	23,787	13,083	SL	15		1,586	
10/01/78	10,194					0	
	-----	-----				-----	
TOT OTHER	33,981	13,083				1,586	
	-----	-----				-----	
TOTALS	33,981	13,083				1,586	
	=====	=====				=====	

1987 FEDERAL INCOME TAX STATEMENTS

STATEMENT 3 - RENT AND ROYALTY INCOME (CONTINUED)

PROPERTY 2

DID YOU ACTIVELY PARTICIPATE IN THE OPERATIONS OF THIS PROPERTY
 YES(X) NO()
 OCCUPY PROPERTY GREATER THAN 14 DAYS OR 10 PERCENT DAYS RENTED
 YES() NO(X)

BUILDING & LOT
 5006 LIBERTY HEIGHTS AVE.

RENTAL INCOME

5,941

EXPENSES

INSURANCE	514
MTG INTEREST PD TO FIN INST	1,288
TAXES - PROPERTY	1,720
TAXES - OTHER	136
OTHER INTEREST	361
DEPRECIATION	454

TOTAL DEDUCTIBLE EXPENSES

4,473

NET INCOME

1,468

DEPRECIATION CALCULATION

DATE ACQUIRED	COST OR BASIS	PRIOR YEARS DEPRECIATION	METHOD	YRS	PCT	CURRENT DEPRECIATION
5-YEAR MACRS PROPERTY						
DISHWASHER						
09/04/87	500		200DB	5		100
					62	
NONRESIDENTIAL REAL PROPERTY						
BUILDING - 5006 LIBERTY						
09/04/87	37,342		SL	31.5		346
WINDOWS - BASEMENT						
09/04/87	800		SL	31.5		8
					1	
LAND						
LAND						
09/04/87	36,374					0

1987 FEDERAL INCOME TAX STATEMENTS

PAGE 4

STATEMENT 3 - RENT AND ROYALTY INCOME (CONTINUED)

DATE ACQUIRED	DEPRECIATION CALCULATION				CURRENT	
	COST OR BASIS	PRIOR YEARS DEPRECIATION	METHOD	YRS	PCT	DEPRECIATION
TOT 5YR MACRS	500					100
TOT NONRES RL	38,142					354
TOT LAND	36,374					0
TOTALS	75,016	0				454

PROPERTY 3

DID YOU ACTIVELY PARTICIPATE IN
THE OPERATIONS OF THIS PROPERTY
YES(X) NO()
OCCUPY PROPERTY GREATER THAN 14
DAYS OR 10 PERCENT DAYS RENTED
YES() NO(X)

UNIT 15 L - MAHOGANY RUN

RENTAL INCOME

3,381

EXPENSES

	PARTLY DEDUCTIBLE	FULLY DEDUCTIBLE	
REPAIRS -			
MISCELLANEOUS	321		
ADVERTISING	498		
AUTO AND TRAVEL	2,511		
CLEANING AND MAINTENANCE	1,156		
INSURANCE	181		
TAXES - PROPERTY	1,670		
UTILITIES	1,070		
CABLE TV	256		
CONDO FEES	4,195		
TOTAL EXPENSES	11,858		
LESS OWNER OCCUPANCY AMOUNT	-8,477		
TOTAL DEDUCTIBLE EXPENSES			3,381
NET INCOME			0

1987 FEDERAL INCOME TAX STATEMENTS

STATEMENT 3 - RENT AND ROYALTY INCOME (CONTINUED)

DATE ACQUIRED	DEPRECIATION CALCULATION				YRS	PCT	CURRENT DEPRECIATION
	COST OR BASIS	PRIOR YEARS DEPRECIATION	METHOD				
5-YEAR RECOVERY PROPERTY							
FURNITURE							
02/27/85	12,000	4,218			5		0
MICROWAVE & TV							
01/01/86	663	99			5		0
LAND							
LAND							
02/27/85	71,886						0
18-YEAR RECOVERY PROPERTY							
CONDO UNIT - 15 L MAHOGANY							
02/27/85	142,700	25,686			18		0
TOT 5YR ACRS	12,663	4,317					0
TOT LAND	71,886						0
TOT 18YR REAL	142,700	25,686					0
TOTALS	227,249	30,003					0

PROPERTY 4

DID YOU ACTIVELY PARTICIPATE IN THE OPERATIONS OF THIS PROPERTY
 YES(X) NO()
 OCCUPY PROPERTY GREATER THAN 14 DAYS OR 10 PERCENT DAYS RENTED
 YES() NO(X)

UNIT 29 M - MAHOGANY RUN

EXPENSES

REPAIRS -	
MISCELLANEOUS	320
ADVERTISING	498
AUTO AND TRAVEL	2,512
CLEANING AND MAINTENANCE	1,156
INSURANCE	181
MTG INTEREST PD TO FIN INST	14,154
TAXES - PROPERTY	1,570
UTILITIES	1,070
OTHER INTEREST	3,653
CONDO FEES	4,194
DEPRECIATION	15,767
AMORTIZATION	115

1987 FEDERAL INCOME TAX STATEMENTS

STATEMENT 3 - RENT AND ROYALTY INCOME (CONTINUED)

EXPENSES	
TOTAL DEDUCTIBLE EXPENSES	45,190
NET LOSS	-45,190
DISALLOWED PASSIVE LOSS	0
ALLOWED PASSIVE LOSS	-45,190

DEPRECIATION CALCULATION

DATE ACQUIRED	COST OR BASIS	PRIOR YEARS DEPRECIATION	METHOD	YRS	PCT	CURRENT DEPRECIATION
5-YEAR RECOVERY PROPERTY						
FURNITURE						
03/15/85	34,606	15,407		5	21.00	6,217
		TAX PREFERENCE - PERS			2,516	
LAND						
LAND						
03/15/85	60,134					0
18-YEAR RECOVERY PROPERTY						
CONDO UNIT 29 M - MAHOGANY						
03/15/85	119,371	20,293		18	8.00	9,550
		TAX PREFERENCE - REAL			2,388	
TOT 5YR ACRS	34,606	15,407				6,217
TOT LAND	60,134					0
TOT 18YR REAL	119,371	20,293				9,550
TOTALS	214,111	35,700				15,767

AMORTIZATION CALCULATION

DESC	DATE ACQUIRED	COST OR BASIS	ACCUMULATED AMORTIZATION	CODE SECTION	AMORT. YR OR%	AMORTIZATION FOR THIS YR
POINTS - 29 M - MAHOGANY						
	03/15/85	1,725	201	461 (G)	15	115
TOTALS		1,725	201			115

1987 FEDERAL INCOME TAX STATEMENTS

PAGE 7

STATEMENT 3 - RENT AND ROYALTY INCOME (CONTINUED)

SUMMARY OF RENT AND ROYALTY INCOME

		GROSS INCOME	EXPENSES OTHER THAN DEPREC/DEPL	DEPLETION/ DEPRECIATION	INCOME (LOSS)
		-----	-----	-----	-----
PROPERTY	1	59,000	1,808	1,586	55,606
PROPERTY	2	5,941	4,019	454	1,468
PROPERTY	3	3,381	3,381	0	0
PROPERTY	4	0	29,423	15,767	-45,190
		-----	-----	-----	-----
TOTALS		68,322	38,631	17,807	11,884
		=====	=====	=====	=====
NET INCOME FROM RENTS AND ROYALTIES					11,884
					=====

1987 FEDERAL INCOME TAX STATEMENTS

STATEMENT 4 - PASSIVE ACTIVITY LOSS LIMITATIONS

RENTAL REAL ESTATE ACTIVITIES WITH ACTIVE PARTICIPATION

FORM OR SCHEDULE REPORTED ON	ACTIVITIES ACQUIRED BEFORE 10/23/86		ACTIVITIES ACQUIRED AFTER 10/22/86	
	A) INCOME	B) (LOSS)	C) INCOME	D) (LOSS)
GAS STATION SCHEDULE E	55,606			
BUILDING & LOT SCHEDULE E			1,468	
UNIT 29 M - MAHOGANY RUN SCHEDULE E		-45,190		
<hr/>				
TOTALS	55,606	-45,190	1,468	
<hr/>				

1987 FEDERAL INCOME TAX STATEMENTS

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STATEMENT 5 - PASSIVE ACTIVITY LOSS LIMITATIONS
ALTERNATIVE MINIMUM TAX

RENTAL REAL ESTATE ACTIVITIES WITH ACTIVE PARTICIPATION

FORM OR SCHEDULE REPORTED ON	ACTIVITIES ACQUIRED BEFORE 10/23/86		ACTIVITIES ACQUIRED AFTER 10/22/86	
	A) INCOME	B) (LOSS)	C) INCOME	D) (LOSS)
GAS STATION FORM 6251	55,606			
BUILDING & LOT FORM 6251			1,531	
UNIT 29 M - MAHOGANY RUN FORM 6251		-40,286		

TOTALS	55,606	-40,286	1,531	
	=====			

STATEMENT 6 - PENALTY COMPUTATION FOR
UNDERPAYMENT OF ESTIMATED TAX

DUE DATE OF INSTALLMENT	4/15/87	6/15/87	9/15/87	1/15/88
TOTAL AMOUNT DUE	5,001	5,001	5,001	5,002
PAYMENT DATE	4/15/87			
AMOUNT	788			
REMAINING UNDERPAYMENT	4,213	5,001	5,001	5,002
PAYMENT DATE	6/15/87			
AMOUNT	788			
NUMBER OF DAYS FROM DUE DATE OR LAST PAYMENT TO EARLIER OF PAYMENT DATE OR 9/30/87	61			
PENALTY AT 9 PERCENT	63			

1987 FEDERAL INCOME TAX STATEMENTS

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STATEMENT 6 - PENALTY COMPUTATION FOR (CONTINUED)
UNDERPAYMENT OF ESTIMATED TAX

DUE DATE OF INSTALLMENT	4/15/87	6/15/87	9/15/87	1/15/88
REMAINING UNDERPAYMENT	3,425	5,001	5,001	5,002
PAYMENT				
DATE	9/15/87			
AMOUNT	787			
NUMBER OF DAYS				
FROM DUE DATE OR LAST PAYMENT				
TO EARLIER OF				
PAYMENT DATE OR 9/30/87	92			
PENALTY AT 9 PERCENT	78			
REMAINING UNDERPAYMENT	2,638	5,001	5,001	5,002
PAYMENT				
DATE	1/15/88			
AMOUNT	787			
NUMBER OF DAYS				
FROM DUE DATE OR LAST PAYMENT				
TO EARLIER OF				
PAYMENT DATE OR 9/30/87	15			
PENALTY AT 9 PERCENT	10			
NUMBER OF DAYS				
FROM DUE DATE OR LAST PAYMENT				
TO EARLIER OF				
PAYMENT DATE OR 12/31/87	92			
PENALTY AT 10 PERCENT	66			
NUMBER OF DAYS				
FROM 1/1/88 OR LAST PAYMENT				
TO EARLIER OF				
PAYMENT DATE OR 4/15/88	15			
PENALTY AT 11 PERCENT	12			
REMAINING UNDERPAYMENT	1,851	5,001	5,001	5,002

219-28-1068

SHOFER

034

4664-53 10052026

1987 FEDERAL INCOME TAX STATEMENTS

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STATEMENT 6 - PENALTY COMPUTATION FOR (CONTINUED)
UNDERPAYMENT OF ESTIMATED TAX

DUE DATE OF INSTALLMENT	4/15/87	6/15/87	9/15/87	1/15/88
NUMBER OF DAYS FROM DUE DATE OR LAST PAYMENT TO EARLIER OF PAYMENT DATE OR 9/30/87		107	15	
PENALTY AT 9 PERCENT		132	18	
NUMBER OF DAYS FROM DUE DATE OR LAST PAYMENT TO EARLIER OF PAYMENT DATE OR 12/31/87		92	92	
PENALTY AT 10 PERCENT		126	126	
NUMBER OF DAYS FROM 1/1/88 OR LAST PAYMENT TO EARLIER OF PAYMENT DATE OR 4/15/88	91	106	106	91
PENALTY AT 11 PERCENT	51	159	159	137
TOTAL PENALTY PER INSTALLMENT	280	417	303	137
				1,137

1987 FEDERAL INCOME TAX STATEMENTS

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STATEMENT 7 - COMPUTATION OF THE 1986 TAX LIABILITY

1986 TAX	16,103
GENERAL TAX CREDITS	0

1986 INCOME TAX AFTER CREDITS	16,103
ALT. MINIMUM TAX	7,343

	23,446

TOTAL 1986 TAX LIABILITY	23,446
	=====

STATEMENT 8 - ITEMIZED TAXES

REAL ESTATE - PARK HEIGHTS	506
REAL ESTATE TAXES - 15 E	
--MAHOGANY RUN	1,592

TOTAL OTHER TAXES	2,098
	=====

STATEMENT 9 - MORTGAGE INTEREST EXPENSE

HOME MORTGAGE PAID TO INDIVIDUALS

CATALINA PENSION TRUST	29,556
SAWYER	22,741

TOTAL HOME MORTGAGE PAID TO INDIVIDUAL	52,297
	=====

1. CATALINA PENSION TRUST
5006 LIBERTY HEIGHTS AVENUE
BALTIMORE, MARYLAND 21207
2. J.E. AND NORMA SAWYER
PO BOX 6173
BOSSIER CITY, LOUISIANA 71111

1987 FEDERAL INCOME TAX STATEMENTS

STATEMENT 10 - INVESTMENT INTEREST

OTHER INVESTMENT INTEREST

25,084

TOTAL INVESTMENT INTEREST

25,084

DEDUCTIBLE INVESTMENT INTEREST - FORM 4952

192

STATEMENT 11 - PERSONAL INTEREST

CREDIT CARDS

43

IRS & STATE

167

PENSION LOAN

90,257

CATALINA LOAN

41,031

TOTAL PERSONAL INTEREST

131,498

1987 FEDERAL INCOME TAX STATEMENTS

STATEMENT 12 - CASH CONTRIBUTIONS UNDER \$3,000

CHARITIES QUALIFYING FOR 50 PCT LIMITATION

MISC. ORGANIZED CHARITIES

160

TOTAL CASH CONTRIBUTIONS TO CHARITIES
QUALIFYING FOR 50 PCT LIMITATION

160

TOTAL CASH CONTRIBUTIONS UNDER \$3,000

160

219-28-1068

SHOFER

034

4664-53 10052026

1987 FEDERAL INCOME TAX STATEMENTS

PAGE 15

STATEMENT 13 - INTEREST INCOME

YORKRIDGE CALVERT 2071495

192

TOTAL INTEREST INCOME

192
=====

**Application for Automatic Extension of Time
To File U.S. Individual Income Tax Return**

1987

Please
Type
or
Print

Your first name and initial (if joint return, also give spouse's name and initial)	Last name	Your social security number
RICHARD SHOFER		219-28-1068
Present home address (number and street or rural route). (If you have a P.O. Box, see the instructions.)		Spouse's social security no.
216 ST. JONSTANS RD		
City, town or post office, state, and ZIP code		
BALTIMORE MARYLAND 21212		

If you expect to file a gift tax return (Form 709 or Form 709-A) for 1987, generally due by April 15, 1988, check this box

Note: File this form with the Internal Revenue Service Center where you must file your income tax return and pay the amount shown on line 6 below. This is not an extension of time for payment of tax. You will be charged a penalty for late payment of tax and late filing unless you show reasonable cause for not paying or filing on time (see instructions).

I request an automatic 4-month extension of time to August 15, 1988, to file Form 1040A or Form 1040 for the calendar year 1987 (or if a fiscal year Form 1040 to 19 for the tax year ending 19).

1 Total income tax liability for 1987. You must enter an amount on line 1. (You may estimate this amount.) If you do not expect to owe tax, enter zero (-0-).	1	15500 -
2 Federal income tax withheld	2	3500
3 1987 estimated tax payments (include 1986 overpayment allowed as a credit).	3	
4 Other payments and credits you expect to show on Form 1040A or Form 1040.	4	
5 Add lines 2, 3, and 4	5	3500 -
6 Income tax balance due (subtract line 5 from line 1). In order to obtain this extension, you must pay in full the balance due with this form. (If line 5 is more than line 1, enter zero (-0-).)	6	12000.00
Complete line 7 if you expect to owe gift or generation-skipping transfer (GST) tax.		
7 Total gift tax and GST tax you expect to owe for 1987. Do not include income tax on this line. (See the instructions.)	7	

If sending one check for income, gift, and GST taxes, attach a statement showing how much of the check applies to each type of tax.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and, if prepared by someone other than the taxpayer, that I am authorized to prepare this form.

Signature of taxpayer ▶ _____ Date ▶ _____

Signature of spouse ▶ _____ Date ▶ _____
(If filing jointly, BOTH must sign even if only one had income)

Signature of preparer other than taxpayer ▶ Annette E. ... CPA Date ▶ 4/12/88

General Instructions

Paperwork Reduction Act Notice

We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose of Form

Use Form 4868 to ask for an automatic 4-month extension of time to file Form 1040A or Form 1040. The 4-month extension period includes the automatic 2-month extension granted to U.S. citizens and resident aliens who are living or traveling outside the United States and Puerto Rico on the due date for filing their returns.

Do not file this form if you want the IRS to figure your tax, or if you are under a court order to file your return by the regular due date.

The extension will be granted if you complete this form properly, file it on time, and pay with it the amount of tax shown on line 6. We will notify you only if your request for an extension is denied.

Note: Any extension of time granted for filing your 1987 calendar year income tax return also extends the time for filing a gift tax return (Form 709 or Form 709-A) for 1987.

Filing Form 2688.—Except in cases of undue hardship, we will not accept Form 2688, Application for Additional Extension of Time To File U.S. Individual Income Tax Return, until you have first used Form 4868.

If you have filed Form 4868 and still need more time, use Form 2688 or write a letter of explanation (see Where To File). You must show reasonable cause.

Ask for the additional extension early so that if denied, you can still file your return on time.

When to File

File Form 4868 by April 15, 1988. If you are filing a fiscal year Form 1040, file Form 4868 by the regular due date of your return. If you were granted the automatic 2-month extension because you were abroad (explained above), file this form by the end of the 2-month period (June 15, 1988, for a 1987 calendar year return).

You may file Form 1040A or Form 1040 any time before the 4-month period ends.

**Application for Additional Extension of Time To File
U.S. Individual Income Tax Return**
(See back for filing instructions. Be sure to complete all items.)

Please type or print. File the original and one copy by the due date for filing your return.	Your first name and initial (if joint return, also give spouse's name and initial)	Last name	Your social security number
	RICHARD SHOFER		219-28-1068
	Present home address (number and street or rural route). (If you have a P.O. Box, see the instructions.)		Spouse's social security number
216 ST. DUNSTON RD			
City, town or post office, state, and ZIP code			
BALTIMORE MD 21212			

If you expect to file a gift tax return (Form 709 or Form 709-A) for 1987, generally due by April 15, 1988, check this box.

- I request an extension of time until OCT 15 1988 to file Form 1040A or Form 1040 for the calendar year 1987, or other tax year ending _____, 19_____.
- Were you previously granted an extension of time to file for this tax year? Yes No
- Previous extension granted to (date) 8-15-88
- State in detail why you need an extension.
TO ALLOW TAXPAYER TIME TO ACCURATELY JUDGE VARIOUS RENTAL PROPERTY TRANSACTIONS

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and, if prepared by someone other than the taxpayer, that I am authorized to prepare this form.

Signature of taxpayer _____ Date _____

Signature of spouse _____ Date _____

Signature of preparer other than taxpayer Kenneth E. Lorch CPA Date 8/19/88

File original and one copy. IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant—To Be Completed by IRS

We HAVE approved your application. (Please attach this form to your return.)

We HAVE NOT approved your application. (Please attach this form to your return.)
However, because of your reasons stated above, we have granted a 10-day grace period from the date shown below or due date of your return, whichever is later. This grace period is considered to be a valid extension of time for elections otherwise required to be made on returns filed on time.

We HAVE NOT approved your application. After considering your reasons stated above, we cannot grant your request for an extension of time to file. (We are not granting the 10-day grace period.)

We cannot consider your application because it was filed after the due date of your return.

Other _____

Date

By: Director

Attach Label

Personal information section including name (RICHARD SHOFR), Social Security Number (219-28-1068), Occupation (CORP. EXEC.), and address (216 ST. DUNSTANS RD. BALTIMORE MD 21212).

Filing status section with options: Single (checked), Married filing joint return, Married filing combined separate returns, Married filing separately, Head of Household, Qualifying widow(er), and Dependent taxpayer.

EXEMPTIONS section with options for Yourself (checked), Spouse, and Dependent Children (SEE STATEMENT 1).

CHANGE OF RESIDENT STATUS section with a 'YES' checked box indicating residence in Maryland in 1987.

TOTAL EXEMPTIONS section with a '2' entered in box (D).

Main tax calculation table with columns for COLUMN A and COLUMN B, and rows for income (51-55), deductions (56-62), taxes (63-66), and final amount due (70-77).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

Signature and date section for the preparer (GRABUSH, NEWMAN & CO. P.A. CPA'S) and taxpayer, including address (BALTIMORE, MARYLAND 21210).

CLIENT'S COPY

COMPROLLER OF THE TREASURY INCOME TAX DIVISION ANNAPOLIS, MARYLAND 21411-0001

INCOME AND ADJUSTMENTS FROM FEDERAL RETURN

	ALL	COMBINED SEPARATE RETURNS ONLY		
	TAXPAYERS	COLUMN A	COLUMN B	
1. Wages, salaries, tips, etc.	200,000			1.
2. Taxable interest income	192			2.
3. Dividend income				3.
4. Refunds of state and local income taxes				4.
5. Alimony received				5.
6. Business income or (loss)				6.
7. Capital gain or (loss)	-3,000			7.
8. Other gains or (losses) (from Federal Form 4797)				8.
9. Taxable amount of pensions, IRA distributions, and annuities				9.
10. Rents, royalties, partnerships, estates, trusts, etc. (circle appropriate item)*	11,884			10.
11. Farm income or (loss)				11.
12. Unemployment compensation (insurance)				12.
13. Taxable amount of Social Security and Tier 1 Railroad Retirement Benefits				13.
14. Other income				14.
15. Total Income (Add Lines 1 through 14)	209,076			15.
16. Total Adjustments to Income from Federal Return (IRA, alimony, etc.)				16.
17. Adjusted Gross Income (Subtract Line 16 from Line 15) Enter on Line 51	209,076			17.

* RENTS AND ROYALTIES

ADDITIONS TO INCOME (See Instruction 12)

18. Interest on State and Local Obligations (Bonds) other than Maryland				18.
19. Taxable Tax Preference Items (Attach Form 502TP)				19.
20. Lump Sum Distributions				20.
21. Other (Specify)				21.
22. Total (Add Lines 18 Through 21) Enter on Line 52				22.

SUBTRACTIONS FROM INCOME (See Instruction 13)

23. Refunds of State and Local Income Taxes (Copy Line 4 above)				23.
24. Child and Dependent Care Expenses				24.
25. Interest on U.S. Obligations (Bonds)				25.
26. Pension Exclusion (Complete Pension Exclusion Computation below)				26.
27. Soc. Security or RR Retirement benefits included in Line 9 or 13 above				27.
28. Use of Vehicle for Certain Charitable Purposes (Attach Form 502V)				28.
29. Income Received During Period of Nonresidence				29.
30. 40% of Net Capital Gains (Attach Form 502CG)				30.
31. Other (Specify)				31.
32. Total (Add Lines 23 Through 31) Enter on Line 54				32.

ITEMIZED DEDUCTIONS AND MARYLAND ADJUSTMENTS (See Instruction 14)

33. Total Fed. Itemized Deductions (From Line 26, Fed. Sched. A; attach copy)	164,826			33.
34. State and Local Income Taxes Included in Federal Schedule A, Line 5.	3,797			34.
35. Net Deductions (Subtract Line 34 from Line 33)	161,029			35.
36. Deductions during Period of Nonresidence				36.
37. Total Md. Deductions (Subtract Line 36 from Line 35) Enter on Line 58	161,029			37.

PENSION EXCLUSION COMPUTATION (For use only if 65 or over, or totally disabled - See Instruction 13)

	COLUMN A	COLUMN B
38. Net Taxable Pension and Retirement Annuity Included as Income in Federal Return.	\$	\$
39. Maximum Allowable Exclusion.	\$ 9100	\$ 9100
40. Total Benefits Received under the Social Security Act and/or the RR Retirement Act	\$	\$
41. Tentative Exclusion (Subtract Line 40 from Line 39)	\$	\$
42. Subtraction from Fed. Adjusted Gross Income (Line 38 or Line 41 whichever is less.) Write the Amount on Line 26 above.	\$	\$

FORM

502 CG CAPITAL GAIN SUBTRACTION 1987

COMPTROLLER OF THE TREASURY
INCOME TAX DIVISION
ANNAPOLIS, MARYLAND 21411-0001

ATTACH THIS FORM TO YOUR TAX RETURN

Your first name and initial RICHARD	Last Name SHOFER	Social Security Number 219-28-1068	
Spouse's first name and initial	Last Name	Social Security Number	
Present Address (No. and Street or Rural Rt.) 216 ST. DUNSTANS RD.		City or Town BALTIMORE	State MD
		Zip Code 21212	

Part I Short-term Capital Gains and Losses - Assets Held Six Months or Less

(a) Description of property (Example, 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price	(e) Cost or other basis	(f) LOSS If (e) is more than (d), subtract (d) from (e)	(g) GAIN If (d) is more than (e), subtract (e) from (d)
1. Add all of the transactions in columns (f) and (g)					1	()
2. Net short-term gain or (loss), combine columns (f) and (g) of Line 1					2	

Part II Long-term Capital Gains and Losses - Assets Held More Than Six Months

3. Add all of the transactions in columns (f) and (g)					3	()
4. Net long-term gain or (loss), combine columns (f) and (g) of Line 3					4	-66,399

Part III

5. Combine Lines 2 and 4. Enter total	5	-66,399
6. Enter Line 4 or 5, whichever is smaller. If less than 0, enter 0	6	
7. Multiply Line 6 by 40%. This is your Net Capital Gain Subtraction	7	

Enter the amount on Line 7 on Form 502 - Line 30, Form 504 - Line 40, or Form 505 - Line 26.

Also enter this amount on Form 502TP - Line 1.

CUT HERE

SCHEDULES A&B
(Form 1040)

Schedule A - Itemized Deductions

OMB NO. 1545-0074

1987

Department of the Treasury
Internal Revenue Service

(Schedule B is on back)

Attachment
Sequence No. 07

▶ Attach to Form 1040. ▶ See instructions for Schedules A and B (Form 1040).

Name(s) as shown on Form 1040

Your social security number

RICHARD SHOFER

219-28-1068

Medical and Dental Expenses		1a	12,690.	
(Do not include expenses reimbursed or paid by others.)	1a Prescription medicines and drugs, insulin, doctors, dentists, nurses, hospitals, insurance premiums you paid for medical and dental care, etc.	1a	12,690.	
	b Transportation and lodging	1b		
	c Other (list-include hearing aids, dentures, eyeglasses, etc.)	1c		
(See instructions on page 21.)	2 Add lines 1a through 1c and enter the total here	2	12,690.	
	3 Multiply the amount on Form 1040, line 31, by 7.5% (.075)	3	15,681.	
	4 Subtract line 3 from line 2. If zero or less, enter -0-. Total medical and dental.	4		0.
Taxes You Paid				
(See instructions on page 22.)	5 State and local income taxes	5	3,797.	
	6 Real estate taxes	6	4,973.	
	7 Other taxes (list-include personal property taxes) ▶ SEE STATEMENT 2	7	2,098.	
	8 Add the amounts on lines 5 through 7. Enter the total here. Total taxes	8		10,868.
Interest You Paid				
(See instructions on page 22.)	9a Deductible home mortgage interest you paid to financial institutions (report deductible points on line 10) <input checked="" type="checkbox"/>	9a	15,835.	
	b Deductible home mortgage interest you paid to individuals (show that person's name and address) ▶ SEE STATEMENT 3	9b	52,297.	
	10 Deductible points	10		
	11 Deductible investment interest	11	192.	
	SEE STMT 5 12a Personal interest you paid (see page 22) 12a 131,498	12a	131,498	
	b Multiply the amount on line 12a by 65% (.65). Enter the result.	12b	85,474.	
	13 Add the amounts on lines 9a through 11, and 12b. Enter the total here. Total interest	13		153,798.
Contributions You Made				
(See instructions on page 23.)	14a Cash contributions. (If you gave \$3,000 or more to any one organization, report those contributions on line 14b.)	14a	160.	
	b Cash contributions totaling \$3,000 or more to any one organization. (Show to whom you gave and how much you gave.)	14b		
	15 Other than cash (You must attach Form 8283 if over \$500.)	15		
	16 Carryover from prior year	16		
	17 Add the amounts on lines 14a through 16. Enter the total here. Total contributions	17		160.
Casualty and Theft Losses		18		
Moving Expenses		19		
Miscellaneous Deductions Subject to 2% AGI Limit		20		
(See instructions on page 24.)	21 Other expenses (list type and amount) ▶	21		
	22 Add the amounts on lines 20 and 21. Enter the total	22		
	23 Multiply the amount on Form 1040, line 31, by 2% (.02). Enter the result here	23		
	24 Subtract line 23 from line 22. Enter the result (but not less than zero)	24		
Other Miscellaneous Deductions		25		
Total Itemized Deductions		26		164,826.

SCHEDULE D (FORM 1040)

Capital Gains and Losses and Reconciliation of Forms 1099-B

OMB No. 1545-0074

1987

Attachment Sequence No. 12

Department of the Treasury Internal Revenue Service

Attach to Form 1040. See Instructions for Schedule D (Form 1040). For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Name(s) as shown on Form 1040: RICHARD SHOFER. Your social security number: 219-28-1068

1 Report here, the total sales of stocks, bonds, etc., reported for 1987 by your broker to you on Form(s) 1099-B or an equivalent substitute statement(s). If this amount differs from the total of lines 2b and 9b, column (d), attach a statement explaining the difference.

Part I Short-term Capital Gains and Losses - Assets Held Six Months or Less

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Sales price, (e) Cost or other basis, (f) LOSS, (g) GAIN. Includes rows for 2a Form 1099-B Transactions, 2b Total, 2c Other Transactions, and summary rows 3-8.

Part II Long-term Capital Gains and Losses - Assets Held More Than Six Months

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Sales price, (e) Cost or other basis, (f) LOSS, (g) GAIN. Includes rows for 9a Form 1099-B Transactions, 9b Total, 9c Other Transactions, and summary rows 10-17.

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on page 1)	Your social security number
---	-----------------------------

Part III Summary of Parts I and II

18 Combine lines 8 and 17, and enter the net gain or (loss) here. If result is a gain, also enter the gain on Form 1040, line 14	18	-66,399
<i>Note: If lines 17 and 18 are net gains and your taxable income is taxed over the 28% tax rate, see Part IV below. You may be able to reduce your tax if you qualify for the alternative tax computation.</i>		
19 If line 18 is a loss, enter here and as a loss on Form 1040, line 14, the smaller of: a The amount on line 18; or b \$3,000 (\$1,500 if married filing a separate return).	19	3,000

Part IV Alternative Tax Computation

First complete Form 1040 through line 36.

Use Part IV if both lines 17 and 18 show net gains, AND:

You checked filing status box : AND Form 1040, line 38 is over :

You checked filing status box : AND Form 1040, line 38 is over :

1 \$27,000
2 or 5 45,000

3 \$22,500
4 38,000

20 Enter amount from Form 1040, line 36	20	
21 Enter the smaller of the gain on line 17 or the gain on line 18	21	
22 Subtract line 21 from 20 and enter the result	22	
23 Enter: a \$16,800 if you checked filing status box 1; b \$28,000 if you checked filing status box 2 or 5; c \$14,000 if you checked filing status box 3; or d \$23,000 if you checked filing status box 4	23	
24 Enter the greater of line 22 or line 23	24	
25 Subtract line 24 from line 20	25	
26 Figure the amount of tax on line 24. Use the Tax Table or Tax Rate Schedules, whichever applies.	26	
27 Multiply line 25 by 28% (.28) and enter the result	27	
28 Add lines 26 and 27 Enter the result here and on Form 1040, line 37 and check the box for Schedule D.	28	

Part V Computation of Capital Loss Carryovers From 1987 to 1988

(Complete this part if the loss on line 18 is more than the loss on line 19.)

29 Enter loss shown on line 8; if none, enter zero and skip lines 30 through 33	29	0
30 Enter gain shown on line 17. If that line is blank or shows a loss, enter zero	30	
31 Subtract line 30 from line 29	31	
32 Enter smaller of line 19 or 31	32	
33 Subtract line 32 from line 31. This is your short-term capital loss carryover from 1987 to 1988	33	
34 Enter loss from line 17; if none, enter zero and skip lines 35 through 38	34	66,399
35 Enter gain shown on line 8. If that line is blank or shows a loss, enter zero	35	0
36 Subtract line 35 from line 34	36	66,399
37 Subtract line 32 from line 19. (Note: If you skipped lines 30 through 33, enter the amount from line 19.)	37	3,000
38 Subtract line 37 from line 36. This is your long-term capital loss carryover from 1987 to 1988.	38	63,399

Part VI Complete This Part Only if You Elect Out of the Installment Method and Report a Note or Other Obligation at Less Than Full Face Value

39 Check here if you elect out of the installment method.		<input type="checkbox"/>
40 Enter the face amount of the note or other obligation.	▶	
41 Enter the percentage of valuation of the note or other obligation.	▶	

Part VII Reconciliation of Forms 1099-B For Bartering Transactions

Complete this part if you received one or more Form(s) 1099-B or an equivalent substitute statement(s) reporting bartering income.

Amount of bartering income from Form 1099-B or equivalent statement reported on form or schedule:

42 Form 1040, line 21	42	
43 Schedule C (Form 1040)	43	
44 Schedule D (Form 1040)	44	
45 Schedule E (Form 1040)	45	
46 Schedule F (Form 1040)	46	
47 Other (identify) (if not taxable, indicate reason - attach additional sheets if necessary) ▶	47	
48 Total (add lines 42 through 47)	48	

Note: The amount on line 48 should be the same as the total bartering income on all Forms 1099-B or equivalent statements received.

1987 MARYLAND INCOME TAX STATEMENTS

PAGE 1

STATEMENT 1 - DEPENDENTS

NAMES OF DEPENDENT CHILDREN

ANDY

NUMBER DEPENDENT CHILDREN

1

===

STATEMENT 2 - ITEMIZED TAXES

REAL ESTATE - PARK HEIGHTS

506

REAL ESTATE TAXES - 15 L

--MAHOGANY RUN

1,592

TOTAL OTHER TAXES

2,098

=====

STATEMENT 3 - MORTGAGE INTEREST EXPENSE

HOME MORTGAGE PAID TO INDIVIDUALS

CATALINO PENSION TRUST

29,556

SAWYER

22,741

TOTAL HOME MORTGAGE PAID TO INDIVIDUAL

52,297

=====

1987 MARYLAND INCOME TAX STATEMENTS

STATEMENT 4 - INVESTMENT INTEREST

OTHER INVESTMENT INTEREST

25,084

TOTAL INVESTMENT INTEREST

25,084

DEDUCTIBLE INVESTMENT INTEREST - FORM 4952

192

STATEMENT 5 - PERSONAL INTEREST

CREDIT CARDS

43

IRS & STATE

167

PENSION LOAN

90,257

CATALINA LOAN

41,031

TOTAL PERSONAL INTEREST

131,498

1987 MARYLAND INCOME TAX STATEMENTS

STATEMENT 6 - CASH CONTRIBUTIONS UNDER \$3,000

CHARITIES QUALIFYING FOR 50 PCT LIMITATION

MISC. ORGANIZED CHARITIES

160

TOTAL CASH CONTRIBUTIONS TO CHARITIES
QUALIFYING FOR 50 PCT LIMITATION

160

TOTAL CASH CONTRIBUTIONS UNDER \$3,000

160

502 E

COMPTROLLER OF THE TREASURY
INCOME TAX DIVISION
ANNAPOLIS, MARYLAND 21411-0001

APPLICATION FOR EXTENSION OF TIME TO FILE MARYLAND INDIVIDUAL INCOME TAX RETURN

1987

PLEASE PRINT OR TYPE

Your first name and initial RICHARD	Last Name SHOFER	Social Security Number 219-28-1068
Spouse's first name and initial	Last Name	Social Security Number
Present Address (No. and Street or Rural Rt.) 216 ST. DUNSTANS RD	City or Town BALTIMORE	State MD
		Zip Code 21212

I request an automatic 4-month extension of time to August 15, 1988 to file for the calendar year 1987 (or if for a fiscal year to _____, 19____, for the tax year ending _____, 19____).

Complete the following:

Federal automatic extension has been requested Yes No

Reason extension is needed: (Complete only if above answer is No)

1. Total income tax liability for 1987. (You may estimate this amount) 1

NOTE: You must enter an amount on Line 1. If you do not expect to owe tax, enter zero (0).

2. Maryland income tax withheld 2

3. 1987 Estimated tax payments 3

4. Other payments and credits 4

5. Add Lines 2, 3, and 4..... 5

6. Income tax balance due (Subtract Line 5 from Line 1). Pay in full with this form. If Line 5 is more than Line 1, enter zero (0) 6

NONE

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge.

Make checks payable to and mail to:
COMPTROLLER OF THE TREASURY
INCOME TAX DIVISION
ANNAPOLIS, MARYLAND 21411-0001

(Include Social Security No.)

Your Signature

Date

Signature of Preparer Other Than Taxpayer

Date

Spouse's Signature (if filing jointly, or combined separate, BOTH must sign)

Date

Address of Preparer

Annex C. Shoyer CPA 4/12/88

Amm

HARVEY M. NEWMAN, CPA
BARRY B. BONDROFF, CPA
PHILIP L. MATZ, CPA
NORMAN N. POLONSKY, CPA
KENNETH E. LARASH, CPA
ALLEN M. SCHIFF, CPA
MERRILL LEVY, CPA
ARTHUR G. BRONFEIN, CPA
ROBERT M. BERLINER, CPA
MICHAEL J. AGETSTEIN, CPA
ALAN M. MARVEL, CPA

Grabush, Newman & Co., P.A.
Certified Public Accountants

Office of the Comptroller
Income Tax Division
State Income Tax Building
Annapolis, Maryland 21411

Re: *Richard SHORER*
219-28-1068

Gentlemen:

An extension of time until *OCT. 15, 1988* is hereby requested in order to file Form 502 for the year ending December 31, 1987 for the above referenced taxpayer. Additional time is required in order to gather information necessary to complete the return.

A copy of the previously filed Form 502E is attached.

Sincerely,

GRABUSH, NEWMAN & CO., P.A.

Kenneth E. Edersot PA
8/18/88

EXTENSION APPROVED

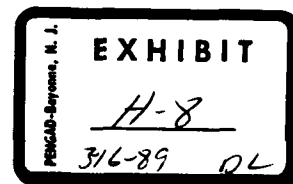
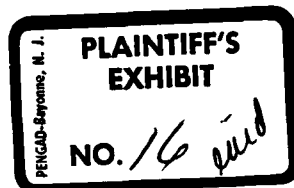
THE STUART HACK COMPANY

CATALINA ENTERPRISES, INC. PENSION PLAN 1984 AMENDING RESTATEMENT

Consultants & Actuaries

4623 Falls Road
Baltimore, Maryland 21209
(301) 366-8700

Washington, D.C. 621-4064



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THE 1984 RESTATEMENT OF THE
CATALINA ENTERPRISES, INC. PENSION PLAN

SUMMARY PLAN DESCRIPTION

CONTENTS

I. INTRODUCTION	IX. METHODS OF DISTRIBUTION
II. PLAN MANAGEMENT	X. LOANS TO PARTICIPANTS
III. WHO PARTICIPATES AND WHEN	XI. CLAIMS PROCEDURE
IV. HOW YOUR SHARE IS DETERMINED	XII. CHANGES IN THE PLAN
V. VOLUNTARY CONTRIBUTIONS	XIII. PLAN GUARANTEES
VI. ELIGIBILITY FOR BENEFITS	XIV. SUMMARY PLAN DESCRIPTION
VII. KEY DEFINITIONS	XV. ERISA RIGHTS
VIII. VALUATION OF BENEFITS	XVI. PLAN INFORMATION

Date:

CATALINA ENTERPRISES, INC.

PENSION PLAN

1984 AMENDING RESTATEMENT

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	1.3 Continuation of Existing Plan
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CATALINA ENTERPRISES, INC.

PENSION PLAN

AMENDING RESTATEMENT

THIS AMENDING RESTATEMENT is made by and between Catalina Enterprises, Inc. (hereinafter referred to as the "Company"), and Richard Shofer, (hereinafter referred to as the "Trustee").

R E C I T A L S

The Company, on December 28, 1971 established a money purchase pension plan and trust (including certain accident and health plan benefits). The Company amended and restated said plan and trust in its entirety effective January 1, 1976. The Company wishes to now amend and restate the said plan and trust.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto hereby amend and restate The Catalina Enterprises, Inc. Pension Plan under the terms and conditions herein set forth and agree as follows:

ARTICLE I

General

1.1 Name - This Amending Restatement may be referred to as "The 1984 Restatement of The Catalina Enterprises, Inc. Pension Plan."

1.2 Applicability - The provisions of this Amending Restatement shall apply only to an individual who meets the definition of Employee set forth herein and whose employment terminates on or after the Effective Date. The rights and benefits, if any, of an individual whose employment terminated prior thereto shall be determined in accordance with the prior provisions of the Plan in effect on the date his employment terminated (subject to any modification set forth herein which may affect the holding and/or distribution of previously accrued but unpaid benefits).

1.3 Continuation of Existing Plan - The adoption of this Plan by the Company constitutes the continuation of the existing plan (the "Original Plan"). Notwithstanding any other Plan provisions to the contrary, the following shall be applicable:

(a) Subject to the conditions and limitations of this Plan, each person who is a participant under the Original Plan immediately prior to the Effective Date will continue as a Participant under this Plan.

(b) The amounts, if any, credited to a Participant's Accrued Benefit immediately prior to the Effective Date shall constitute the opening balance of his Accrued Benefit under this Plan.

(c) Amounts being paid to a former participant or beneficiary in accordance with the provisions of the Original Plan shall continue to be paid in accordance with such provisions.

(d) Any beneficiary designation in effect under the Original Plan immediately before its amendment and continuation in the form of this Plan shall be deemed to be a valid designation filed with the Company under this Plan, to the extent consistent with the provisions of this Plan, unless and until the Participant revokes such designation or makes a new designation under this Plan.

1.4 Transition Rules - Notwithstanding the effective date generally applicable to any provision of this Amending Restatement, the following special transition rules shall apply:

(a) The following provisions of this Plan as in effect immediately prior to this Amending Restatement shall continue to apply until January 1, 1985: the provisions regarding the minimum age for purposes of eligibility, the provisions regarding the minimum age for purposes of computing vesting, the provisions regarding any maternity/paternity absences which began prior to January 1, 1985, the minimum amount of any cash-out of a Participant's Accrued Benefit without the Participant's consent, and (subject to (f) below) the provisions regarding distributions to married Participants.

(b) The dates for the distribution of benefits, the provisions regarding Breaks in Service for purposes of computing vesting and the provisions regarding forfeitures, as in effect immediately prior to this Amending Restatement shall continue to apply to any Participant who incurred a Break in Service prior to January 1, 1985 (but only with respect to that Break in Service).

(c) Every individual who would have become a Participant pursuant to Section 3.1 on or before January 1, 1985 but for the Plan's minimum age requirement of 25, and who is a Covered Employee on that date, shall become a Participant on that date.

(d) The provisions of Section 3.2(b)(ii) as in effect immediately prior to this Amending Restatement shall continue to apply to any series of consecutive Breaks in Service which, prior to January 1, 1985, was at least equal to the number of Years of Service credited to the Participant prior thereto.

(e) The provisions of regarding distribution of death benefits to the surviving spouse as in effect prior to this Amending Restatement shall continue to apply to any Participant who has no Hours of Service on or after August 23, 1984.

(f) Section 8.6 shall be subject to the following:

(i) The provisions regarding distributions to married Participants as in effect prior to this Amending Restatement shall continue to apply to any Participant who has no Hours of Service on or after August 23, 1984.

(ii) The provisions of Sections 8.6(c) through (g) as set forth by this Amending Restatement shall apply effective August 23, 1984 to any Participant who has at least one Hour of Service on or after August 23, 1984 and who dies before his benefit commencement date (as defined in Section 8.6(g)) and before January 1, 1985.

(iii) No election not to take a joint and survivor annuity, if made on or after January 1, 1985 shall be effective unless the spousal consent requirements of Section 8.6(b) have been met.

(iv) A Participant may elect to provide for the payment of death benefits in the form described in Section 8.6(c) of this Amending Restatement, if such Participant: (A) completed at least one Hour of Service on or after the first day of the first Plan Year beginning after 1975, (B) did not complete any Hours of Service on or after August 23, 1984, (C) completed at least ten Years of Service, (D) has a vested interest in an Accrued Benefit attributable to Company contributions, and (E) affirmatively elects coverage by Sections 8.6(c) through (g) prior to his benefit commencement date (as defined in Section 8.6(g)).

(v) A Participant may elect to receive benefits in the form provided in Section 8.6(a), of this Amending Restatement, if such Participant: (A) completed at least one Hour of Service after September 1, 1974, (B) did not complete any Hours of Service on or after the first day of the first Plan Year beginning after 1975, and (C) affirmatively elects the joint and survivor annuity benefit form prior to his benefit commencement date (as defined in Section 8.6(g)).

END OF ARTICLE I

ARTICLE II

Definitions and Top Heavy Provisions

2.1 Definitions - The following terms, as used herein, unless a different meaning is implied by the context, shall have the following meanings:

Accrued Benefit - The balance in a Participant's or Beneficiary's account, including contributions, forfeitures, income, expenses, gains and losses (whether or not realized) allocated or attributable thereto, which account shall consist of its pro rata proportion of all commingled Trust assets plus the value or proceeds of any Policies, or other Trust assets, separately earmarked therefor. Said account balance shall be determined as of the most recent valuation date but adjusted for any additions or distributions subsequent thereto.

Administrator - The person, group or entity designated in accordance with the provisions of ARTICLE XI to administer and operate the Plan.

Anniversary Date - The first day of each Plan Year.

Beneficiary - Any person or persons so designated in accordance with the provisions of ARTICLE IX.

Break in Service - A twelve month period during which an individual has not completed more than 500 Hours of Service. The aforesaid twelve month period shall be the Plan Year in all cases except that, for purposes of Section 3.1, it shall be the twelve consecutive month period beginning with the date on which the individual first performed an Hour of Service and succeeding twelve consecutive month periods beginning on the anniversary of said date.

C/L Increase - An automatic increase (without necessity of Plan amendment) in a dollar value set forth or described in the Plan, for the purpose of reflecting increases in the cost of living to the extent prescribed in or pursuant to regulations under Section 415(d) of the Internal Revenue Code.

Company - Catalina Enterprises, Inc. a corporation duly organized and existing under the laws of the State of Maryland, and its successors and assigns, unless otherwise herein provided, or any other business organization which, as hereinafter provided, shall assume the obligations hereunder, or which shall agree to become a party to the Plan.

Compensation - The basic current remuneration paid by the Company to or for an individual with respect to his service as a Covered Employee, including overtime, but excluding contributions, credits or benefits under this Plan or under any other retirement, stock-related, deferred compensation, fringe benefit or employee welfare benefit plan, and excluding direct reimbursement for expenses. For purposes of the foregoing, Compensation shall include only Compensation paid while the Participant participated in the Plan.

For any Plan Year with respect to which the Plan is a Top Heavy Plan, Compensation shall not take into account, for any purpose under the Plan, any amount in excess of \$200,000.00 (as adjusted by C/L Increases) for such Plan Year; provided, however, that this paragraph shall not be construed so as to reduce any benefits accrued for Plan Years with respect to which the Plan is not a Top Heavy Plan.

Covered Employee - Any Employee except that, where retirement benefits were the subject of good faith bargaining between the appropriate parties, the term Covered Employee shall not include any individual whose employment is subject to a collective bargaining agreement which does not by its terms provide that such individual is eligible for participation in this Plan.

Notwithstanding the foregoing, an individual who performed services as a sole proprietor, partner, or independent contractor shall not be considered to have been a Covered Employee during that period of time when he rendered such services to the Company.

Distribution Date - The date on which a Participant: (i) reaches retirement, (ii) dies while in the active employ of the Company, (iii) is determined by the Company to have become totally and permanently disabled, or (iv) otherwise terminates his employment with the Company at a time when he is 100% vested in his Accrued Benefit. If the employment of a Participant terminates, for reasons other than retirement, death or disability, at a time when he is less than 100% vested in his Accrued Benefit, his Distribution Date shall be the first to occur of his death following such termination or the last day of the Plan Year in which he incurs the last of five consecutive Breaks in Service.

Effective Date - The effective date of this Amending Restatement, which shall be January 1, 1984, except as otherwise set forth in Section 1.4, and except that the following shall be effective January 1, 1985: the last sentence in the definition of Top Heavy Ratio in Section 2.2(a), the text of Limitation I in Section 8.2, Section 8.4(c), and the first paragraph of Section 8.7.

Employee - Any person employed by the Company.

Employer Group - Defined in Section 2.2.

Entry Date - The first day in each Plan Year, and the first day of the seventh month in each Plan Year.

Hour of Service - Each hour for which an individual, in his capacity as an Employee, is directly or indirectly paid, or entitled to payment, by the Company for the performance of duties (to be credited for the period in which the duties were performed), plus (except as otherwise set forth in Section 4.2) each hour during which the Employee is on a Leave of Absence, plus each additional hour, not otherwise credited, for which back pay, irrespective of mitigation of damages, has been awarded or agreed to by the Company (to be credited for the period for which the award or agreement pertains). Credit for Hours of Service on account of periods during which no duties are performed, and determination of the periods to which Hours of Service are to be credited, shall be in accordance with Department of Labor Regulations Sec. 2530.200b-2(b) and (c).

Internal Revenue Code - The Internal Revenue Code of 1954, or any provision or section thereof herein specifically referred to, as such Code, provision or section may from time to time be amended or replaced.

Key Employee - Defined in Section 2.2.

Leave of Absence - An authorized absence from active service, under conditions described in Section 4.2, which does not constitute a termination of employment.

Non-Key Employee - Defined in Section 2.2.

Participant - Any person so designated in accordance with the provisions of ARTICLE III, including, where appropriate according to the context of the Plan, any former Employee who is or may become (or whose Beneficiaries may become) eligible to receive a benefit under the Plan.

Participation Date - The last day of the Company's regular accounting year. As of the Effective Date, the Company's fiscal year ends on the last day of December 31.

Plan - The plan set forth herein, as amended from time to time.

Plan Year - The twelve month period ending on a Participation Date.

Policy - Any insurance or annuity contract issued by an insurance company under the Plan.

Remuneration - The Participant's wages, salaries, professional service fees and other amounts received for personal services actually rendered in the course of employment with the Company, but not including: (i) non-taxable Company contributions under, or distributions (whether or not taxable) from, a deferred compensation plan, other than taxable payments received under an unfunded, non-qualified plan, and (ii) other amounts which receive special tax benefits.

Required Aggregation Group - Defined in Section 2.2.

Retirement Plan - Defined in Section 2.2.

Retirement Security Act - The Employee Retirement Income Security Act of 1974, or any provision or section thereof herein specifically referred to, as such Act, provision or section may from time to time be amended or replaced.

Segregated Account - That portion, or all, of an Accrued Benefit which, pending distribution, is segregated from the remainder of the Trust (and excluded from any allocation of net earnings or losses of the Trust) and placed in one or more interest bearing accounts, certificates of deposit or other savings or time deposit instruments of any federally or state supervised bank or similar financial institution and/or invested in obligations of the United States government, as determined by the Trustees. All income earned by the Segregated Account shall be deemed to be part thereof and distributable therewith, and there may be charged thereto, in addition to any directly attributable fees and expenses, a pro-rata portion of total Trust fees and expenses.

Special Valuation Date - Any date, other than a Participation Date, designated by the Company as an accounting or valuation date.

Super Top Heavy Plan - Defined in Section 2.2.

Top Heavy Compensation - Defined in Section 2.2

Top Heavy Plan - Defined in Section 2.2.

Trust - The trust fund established pursuant to the Plan.

Trustees - Collectively, the trustee or trustees named in the Plan and such successor and/or additional trustees as may be named pursuant to the terms of the Plan.

Year of Service - A twelve month period during which an individual has completed not less than 1,000 Hours of Service. The aforesaid twelve month period shall be the Plan Year in all case except that, for purposes of Section 3.1, it shall be the twelve consecutive month period beginning with the date on which the individual first performed an Hour of Service and succeeding twelve consecutive month periods beginning on the anniversary of said date.

Notwithstanding the foregoing, for Plan Years which began prior to January 1, 1976, 12 months of service during a Plan Year shall give a Participant a Year of Service for purposes of vesting.

2.2 Top Heavy Status - To the extent necessary to prevent disqualification under Section 401(a)(10)(B) of the Internal Revenue Code, the following provisions shall apply if the Plan is or becomes a Top Heavy Plan:

(a) Definitions - The following terms shall have the following meanings in the determination of whether or not the Plan is a Top Heavy Plan:

Cumulative Benefit - The value of the account of a participant in a defined contribution Retirement Plan, or the present value of the cumulative accrued benefit of a participant in a defined benefit Retirement Plan, as such account or benefit is defined and determined under Section 416(g) of the Internal Revenue Code. The value of the account or cumulative accrued benefit, as the case may be, with respect to any Determination Date, shall be based upon the most recent plan valuation date occurring within the twelve months ending on the Determination Date, after adding back distributions made during the Determination Period, and otherwise

subject to adjustment as required under Section 416(g). Amounts attributable to a participant's own contributions (whether mandatory or voluntary, but not including deductible employee contributions) shall be considered part of his Cumulative Benefit, but rollovers and direct plan-to-plan transfers shall only be considered to the extent required under Section 416(g).

Determination Date - Except as otherwise provided in regulations issued by the Internal Revenue Service, the last day of the plan year preceding the plan year for which Top Heavy Plan status is being determined (or, if the determination is being made with respect to the first plan year of a plan, the last day of such plan year).

Determination Period- A five year period consisting of the plan year containing the Determination Date and the four preceding plan years.

Employer - The Company and any other employer some or all of whose employees participate in this Plan or in a Retirement Plan which is aggregated with this Plan as part of a Permissive or Required Aggregation Group.

Employer Group - A group of Employers who, for purposes of Section 416 of the Internal Revenue Code, are treated as a single employer under Section 414(b), (c) or (m) of the Internal Revenue Code.

Former Key Employee - Any employee or former employee of an Employer who was, but is no longer, a Key Employee, and the beneficiaries of any such individual.

Key Employee - Any employee or former employee (whether or not deceased) of an Employer who, at any time during the Determination Period, was: (i) an officer of the Employer if his Top Heavy Compensation exceeded 150% of the 415 Dollar Limit, (ii) the owner of an ownership interest in the Employer which is at least 1/2% and one of the ten largest ownership interests if his Top Heavy Compensation exceeded the 415 Dollar Limit, (iii) a 5% owner of the Employer, or (iv) a 1% owner of the Employer if his Top Heavy Compensation exceeded \$150,000, and the beneficiaries of any such employee or former employee, all as defined and determined under Section 416(i) of the Internal Revenue Code. For purposes of the foregoing: (i) ownership shall include constructive ownership within the meaning of Section 318 of the Internal Revenue Code (applied by substituting 5% for 50% in Section 318(a)(2)(C)) and similar principles in connection with non-corporate Employers, (ii) Top Heavy

Compensation shall include Compensation for the relevant plan year from the Employer and any other members of an Employer Group including the Employer, and (iii) the 415 Dollar Limit shall mean the dollar limit under Section 415(c)(1)(A) of the Internal Revenue Code for the calendar year in which the relevant plan year ends.

Non-Key Employee - Any employee or former employee of an Employer who is not a Key Employee, and the beneficiaries of any such individual.

Permissive Aggregation Group - A group of Retirement Plans of an Employer Group consisting of: (i) each plan which is a part of a Required Aggregation Group, plus (ii) each plan voluntarily included by the Employer Group, provided that, with such inclusion, the group (as a group) meets the requirements of Sections 401(a)(4) and 410 of the Internal Revenue Code.

Required Aggregation Group - A group of one or more Retirement Plans of an Employer Group consisting of: (i) each plan in which a Key Employee participates at any time during the Determination Period, and (ii) each plan in which no Key Employee participates, but which, at any time during the Determination Period, enables a plan in which a Key Employee participates to meet the requirements of Section 401(a)(4) or 410 of the Internal Revenue Code.

Retirement Plan - This Plan and any other defined benefit or defined contribution retirement plan, annuity contract, or simplified employee pension plan, as those terms are defined for purposes of Sections 401, 403(a) and 408(k) of the Internal Revenue Code.

Super Top Heavy Plan - A Retirement Plan which would be a Top Heavy Plan if 90% were substituted for 60% in each place it appears in the definition thereof.

Top Heavy Compensation - Remuneration for the relevant plan year.

Top Heavy Plan - A Retirement Plan which, as of a Determination Date: (i) is a plan in which the Top Heavy Ratio exceeds 60%, or (ii) is a plan which (even though its own Top Heavy Ratio may not exceed 60%) is a member of a Required Aggregation Group in which the Top Heavy Ratio exceeds 60%, but (iii) is not a plan which (even though its own Top Heavy Ratio may exceed 60%) is a member of a Required or Permissive Aggregation Group in which the Top Heavy Ratio does not exceed 60%; provided, however, that in no event shall a Retirement Plan be deemed to be a Top Heavy Plan with respect to any plan year beginning before 1984.

Top Heavy Ratio - The ratio of the aggregate amount of the Cumulative Benefits of the Key Employees to the aggregate amount of the Cumulative Benefits of the Key Employees and the Non-Key Employees other than Former Key Employees. The ratio shall be computed without regard to the Cumulative Benefit of any individual who has not received any compensation (other than benefits under a Retirement Plan), from the Employer or any member of an Employer Group which includes the Employer, at any time during the five year period ending on the Determination Date.

(b) Operative Provisions - The following Plan provisions shall become operative in the event the Plan is or becomes a Top Heavy Plan:

- 6.8(c)(ii). (i) Annual Addition Limits - Section
- (Compensation). (ii) Compensation Maximum - Section 2.1
- paragraph). (iii) Minimum Vesting - Section 7.4 (second
- (iv) Minimum Contributions - Section 5.1(b).

END OF ARTICLE II

ARTICLE III

Eligibility and Participation

3.1 Requirements - Subject to Section 1.3, every individual included under the prior provisions of the Plan as of the Effective Date shall continue to participate in accordance with the provisions of this Amending Restatement. On or after the Effective Date, every other Covered Employee shall become a Participant on the first Entry Date occurring on or after the date he has completed one Year of Service and attained the age of 21. No individual shall become a Participant, however, if he is not a Covered Employee on the date his participation is to begin.

An Employee shall receive credit for all Years of Service for eligibility purposes, except that, if the Employee was a Participant prior to incurring a Break in Service, but he had no vested interest in the portion of his Accrued Benefit attributable to Company contributions at the time he incurred such Break in Service, and if he incurs a number of consecutive Breaks in Service at least equal to the greater of five or the number of his Years of Service prior thereto, then his participation in the Plan shall cease (except that any Accrued Benefit to his credit shall continue to be subject to the provisions of the Plan other than this Section 3.1), and, thereafter, he shall be treated as a new Employee and his eligibility for any subsequent participation will be determined without regard to his prior Years of Service.

3.2 Re-employment - If an Employee or Participant whose employment is terminated is subsequently re-employed, his status with respect to the Plan shall be governed by the following:

(a) Eligibility - If the re-employed Employee was not a Participant prior to his termination of employment, he shall become a Participant in accordance with the provisions of Section 3.1. If he was a Participant prior to such termination, or if (but for his absence) he would have become a Participant pursuant to Section 3.1 during his absence, then, subject to the second paragraph of Section 3.1, his participation shall commence immediately upon the resumption of his status as a Covered Employee.

(b) Vesting - The re-employed Employee shall receive credit for all Years of Service for purposes of determining the vested percentage in his Accrued Benefit, except as otherwise provided in Section 4.1, and except that:

(i) If the termination of employment included five consecutive Breaks in Service, then any Years of Service completed after the Breaks in Service shall be disregarded for purposes of determining the vested percentage of any Accrued Benefit to which the Participant may have been entitled with respect to the period before the Breaks in Service.

(ii) If the re-employed Employee was a Participant prior to his termination, but he had no vested interest in the portion of his Accrued Benefit attributable to Company contributions at the time of his termination, and if he incurs a number of consecutive Breaks in Service at least equal to the greater of five or the number of his Years of Service prior thereto, his prior Years of Service will be disregarded for purposes of determining the vested percentage of his Accrued Benefit (with respect to the periods before and after the Breaks in Service).

(c) Separate Accounting - If a re-employed Participant has an undistributed Accrued Benefit with respect to the period both before and after the termination of employment, separate accounting shall be maintained for each such portion of his Accrued Benefit if, and so long as, the Participant is not fully vested, and (i) the termination of employment amounted to five consecutive Breaks in Service, or (ii) separate accounting is required by Section 8.5(c).

(d) Benefit Payments - If, at the time of his re-employment, the Participant is eligible to receive or is receiving benefits under the Plan, then it shall be in the sole discretion of the Company to determine whether such benefits shall continue or shall cease until such time as they may be paid in conjunction with the benefits accrued with respect to the Participant's subsequent employment.

(e) Restoration of Forfeiture - If the re-employed Participant: (i) was less than 100% vested in his Accrued Benefit when he terminated employment, (ii) received a lump sum distribution of the vested portion, if any, of his Accrued Benefit pursuant to Section 8.5(b) not later than the end of the second Plan Year following the Plan Year of his termination of employment, (iii) resumed his status as a Covered Employee before having reached his Distribution Date, and (iv) repays to the Plan the full amount of the lump sum distribution, if any, before having reached his Distribution Date, then, as of the date of such repayment, the full amount of the forfeiture which occurred pursuant to Section 8.5(c) (unadjusted for gains or losses in the interim) shall be restored to his Accrued Benefit. If the Participant had no vested interest in the portion of his Accrued Benefit attributable to Company contributions, the restoration shall be made as of the date of resumption of status as a

Covered Employee. Notwithstanding any other Plan provisions regarding utilization of forfeitures and allocation of Trust earnings, the restored forfeiture shall be derived, first, from forfeitures arising in the Plan Year in which the restoration occurs, and, second, from Trust income and gains (whether or not realized) arising in the Plan Year in which the restoration occurs. However, the Company may, and in the absence of available forfeitures and/or income or gains as aforesaid shall, make a separate contribution to the Plan for the purpose of restoring the forfeiture, which separate contribution shall be made not later than the end of the Plan Year following the Plan Year in which the repayment or resumption (as the case may be) by the Participant occurred. Neither the repayment nor the restoration shall be deemed to be Annual Additions for purposes of Section 6.8.

3.3 Change of Employment Category - During any period in which a Participant remains in the employ of the Company but ceases to be a Covered Employee, he will continue his Plan participation and shall continue to accrue credit for Years of Service for purposes of vesting and eligibility for contributions, but he shall not receive any allocation of contributions or forfeitures based upon remuneration earned during such period.

3.4 Waiver of Participation - The Company may grant a waiver of participation to any Employee who so requests. Whether or not such waiver shall be granted, and the terms and conditions (including duration) thereof, shall be in the sole discretion of the Company.

END OF ARTICLE III

ARTICLE IV

Hours and Years of Service

4.1 Credit for Years of Service - A Participant will receive credit for all Years of Service, except as otherwise provided in ARTICLE III, and except that, for purposes of determining the vested percentage of his Accrued Benefit, the following Years of Service shall be disregarded:

- (1) Years of Service completed prior to the Participant attaining age 18.
- (2) Years of Service completed prior to December 28, 1977, the original effective date of the Plan.

4.2 Leaves of Absence -

(a) General - Employment shall not be deemed to have terminated though it is interrupted by a temporary absence from active service by reason of: (i) a Leave of Absence granted by the Company on account of vacation, holiday, illness, incapacity (including disability), layoff or jury duty, (ii) a Leave of Absence required by law or granted by the Company on account of service in the Armed Forces of the United States, (iii) any other Leave of Absence during which the individual remains in active pay status (irrespective of whether the employment relationship has terminated), or (iv) any other Leave of Absence, extending for not more than two years, under conditions which are not treated by the Company as a termination of employment. If any Participant on Leave of Absence fails to answer an inquiry by the Company as to the status of the Leave of Absence, or if the Company is not notified of the death or disability of such Participant, and the Company has no actual knowledge thereof, the Company may determine that the Leave of Absence had or has expired.

Hours of Service with respect to a Leave of Absence will be credited pursuant to the following:

(i) Unless excluded by ARTICLE III or Section 4.1, Hours of Service will be credited for the customary period of work during a Leave of Absence, whether paid or unpaid.

(ii) Notwithstanding the foregoing, no Hours of Service will be credited during an unpaid Leave of Absence for military service, except to the extent required by law.

iii) Notwithstanding the foregoing, not more than 501 Hours of Service shall be credited on account of any single continuous period during which an individual performs no duties, except that he shall be credited with an Hour of Service without regard to this limit for each hour: (A) during a paid Leave of Absence, provided that he returns to active service upon the expiration thereof, or (B) of paid sick leave (regardless of whether he is paid directly by the Company or through Company-financed wage continuation insurance), other than where payments are made solely for the purpose of complying with workmen's compensation, unemployment insurance or disability insurance laws.

(b) Maternity/Paternity Absences - Without regard to whether an absence described herein is treated as a Leave of Absence pursuant to Section 4.2(a), the hours occurring during an absence, whether paid or unpaid, by reason of the pregnancy of a Participant, the birth to or adoption by a Participant of a child, or the care of such child immediately following such birth or adoption, shall, to the extent set forth herein, be utilized toward prevention of a Break in Service. Said hours (whether or not they would have been, and notwithstanding any contrary crediting provisions in the definition of, Hours of Service) shall: (i) be credited for the sole purpose of preventing a Break in Service; (ii) be credited at the rate per normal working day of eight hours or such other number of hours as would normally have been credited to the Participant but for such absence, but in no event to exceed 501 hours with respect to any such absence; and (iii) be credited for (and only for) the twelve month Break in Service computation period following that in which the absence began, or, if to do so would prevent a Break in Service, instead be credited for (and only for) the twelve month computation period during which the absence began.

4.3 Related Employers - To the extent required by the Internal Revenue Code or the Retirement Security Act, Employees shall receive credit for Years of Service and Hours of Service (for purposes of eligibility and vesting, but not benefit accrual) accrued in connection with employment with related employers, as defined in Section 414(b), (c) or (m) of the Internal Revenue Code.

4.4 Credit for Hours of Service - Hours of Service will be credited based upon the relevant payroll records maintained by the Company. However, any Employee for whom records of actual hours worked are not maintained shall be deemed to have worked, and will receive credit for, ten Hours of Service for any day on which he would be credited with any Hours of Service if his hours were directly recorded.

END OF ARTICLE IV

ARTICLE V

Contributions

5.1 Company Contributions: Amount - As of each Participation Date:

(a) Standard Contribution Formula - The Company shall contribute to the Plan, on behalf of each eligible Participant, an amount equal to 11.63% of the Participant's Compensation, plus 7% of the Participant's Compensation in excess of \$10,800, for the Plan Year ending on such Participation Date. Subject to Sections 3.3 and 3.4, eligible Participants entitled to a contribution as of the Participation Date, as aforesaid, shall consist of all Participants who completed a Year of Service with respect to the Plan Year, but excluding any Participant who was not in the employ of the Company on the Participation Date, unless he was on leave of absence or his employment terminated during the Plan Year by reason of retirement, disability or death.

(b) Minimum Top Heavy Contributions - For any Plan Year with respect to which the Plan is a Top Heavy Plan, the Company contribution made pursuant to Section 5.1(a) on behalf of any Minimum Contribution Participant for the Plan Year shall not be less than the Minimum Contribution Percentage multiplied by his Minimum Contribution Earnings for the Plan Year. For this purpose:

(i) "Minimum Contribution Participant" means any Participant, other than a Key Employee, who was employed on the Participation Date occurring on the last day of the Plan Year, regardless of whether or not he completed a Year of Service with respect to the Plan Year.

(ii) "Minimum Contribution Percentage" means 3%, or (unless this Plan enables a defined benefit plan, which is a member of a Required Aggregation Group including this Plan, to meet the requirements of Section 401(a)(4) or 410 of the Internal Revenue Code) such lesser percentage as is determined by dividing the Company contribution credited to the Accrued Benefit of the Key Employee who receives the highest such credit (as a percentage of his Minimum Contribution Earnings) for the Plan Year by his Minimum Contribution Earnings for the Plan Year, considering for this purpose all Key Employees participating in this Plan and in any other defined contribution plan in a Required Aggregation Group which includes this Plan.

(iii). "Minimum Contribution Earnings" means the lesser of: (i) \$200,000.00 (as adjusted by C/L Increases), or (ii) the Participant's Top Heavy Compensation.

This Section 5.1(b) shall not apply to any Participant for a Plan Year to the extent that such Participant is credited with contributions and/or benefits which meet the minimum requirements of Section 416(c), (e) and (f) of the Internal Revenue Code under one or more Retirement Plans of the Company or any other member of an Employer Group which includes the Company.

5.2 Company Contributions: Payment - All contributions of the Company for any Plan Year shall become due on the last day in such Plan Year, unless actually paid prior thereto, and shall be paid to the Trustees not later than the due date (including extensions) of the Company's federal income tax return for the taxable year within which the Plan Year ends.

5.3 Participant Contributions: General - No Participant shall be required to make any contributions to the Plan, but, subject to such limitations or procedures as may be imposed by the Company or the Trustees, each Participant shall have the right to make voluntary contributions to the Plan, not exceeding in the aggregate an amount which, when added to all previous voluntary contributions made by the Participant to all tax-qualified pension, profit sharing or stock bonus plans adopted by the Company, is equal to 10% of the aggregate cash remuneration received by the Participant, such contributions and remuneration to be measured cumulatively since the commencement of his participation in this Plan. All contributions by Participants for any Plan Year shall be due and payable to the Company, for transmittal to the Trustee in one lump sum on the last day of the Plan Year. Alternatively, the Company may institute a payroll deduction system (for those Participants desirous of making contributions) and transfer to the Trustee such sums as the Participant, by written authorization, may specify. All contributions by Participants shall be paid to or withheld by the Company, which shall transmit said contributions to the Trustees. All contributions by Participants shall be credited as of the date received by the Trustees. However, unless the limitations set forth in this Section 5.3 or in Section 6.8 have been exceeded for a Plan Year, contributions shall be deemed to have been made, and shall be credited, as of the last day of such Plan Year, if made no later than 30 days after the end of such Plan Year.

There shall be separate accounting for the portion of a Participant's Accrued Benefit attributable to his voluntary contributions, as distinguished from the portion of his Accrued Benefit attributable to Company contributions. In addition, the Company, in its discretion, may, but shall not be required to, direct the Trustees to invest such voluntary contributions separately or in

a different manner from the investment of the balance of the Trust, in which case the provisions of Section 6.2 shall apply separately to each part of the Trust. Notwithstanding any provisions to the contrary which may be set forth in Section 6.2 or 6.4, the Trustees shall have the discretion to allocate income, expenses, gains or losses of the Trust among the voluntary contribution accounts pursuant to such allocation rules as the Trustees deem to be reasonable and administratively practicable.

5.4 Participant Contributions: Withdrawal and Distribution - A Participant may withdraw from the portion of his Accrued Benefit attributable to his voluntary contributions any amount not in excess of the value of that portion of his account. Any withdrawal which is not in excess of the total contributions previously made by him less the aggregate of his previous withdrawals shall be deemed to be a withdrawal of amounts previously contributed, rather than earnings thereon. Distribution on account of withdrawals may be made in cash or property, or partly in each, provided that property shall be distributed at its fair market value as determined by the Trustees.

Upon the death of a Participant, his Beneficiary shall be entitled to receive payment thereof in one lump sum within 60 days after the end of the Plan Year in which the Participant dies. The cost of administering a Participant's contributions account shall be paid by the Company.

5.5 Reserved.

END OF ARTICLE V

ARTICLE VI

Allocation of Funds

6.1 Separate Accounts - A separate account shall be established and maintained for each Participant which shall separately show the portion of his Accrued Benefit attributable to Company contributions and the portion of his Accrued Benefit attributable to his voluntary contributions.

6.2 Allocation of Earnings or Losses of Trust - Except as otherwise provided in Section 6.10, as of each Participation Date and Special Valuation Date, the net earnings or losses of the Trust (including capital gains and losses, whether or not realized) since the preceding Participation Date or Special Valuation Date, whichever last occurred, shall be allocated among all Participants in accordance with the ratio which the account of each Participant, determined as provided herein, bears to the aggregate of all such accounts so determined. For purposes of this allocation, the account of each Participant will consist of the balance contained therein as of the preceding Participation Date or Special Valuation Date, whichever last occurred, adjusted by excluding therefrom the value of any Policies purchased for such Participant, and the value of any asset transferred to a Segregated Account, and adjusted pursuant to Section 6.4; provided, however, that the allocation of earnings and losses, as herein provided, need not be made if the method used to account for the respective interest of each Participant is such that, in an equitable manner, it includes a revaluation at current market values of each such interest as of each valuation date, including, but not limited to, the Unit Method of accounting.

Subject to Section 5.3, Participant contributions received by the Trustees subsequent to the last Participation Date or Special Valuation Date, whichever last occurred, shall not be included in determining the contributing Participant's account balance for purposes of the aforesaid allocation.

In the event that the Company contributes all or any part of its contribution for a Plan Year prior to the Participation Date which is the last day of such Plan Year, the Trustees shall establish, as part of the Trust, a separate suspense account to which such advance contribution will be credited when received by the Trustees until it may be allocated among the Accrued Benefits of the eligible Participants as of the Participation Date. The suspense

account may be held in cash or it may be invested by the Trustees as if it were a Segregated Account, in which case any suspense account earnings between the date or dates of contribution and the Participation Date shall be allocated, as of the Participation Date, in the same manner as the total Company contribution for the Plan Year.

6.3 Valuations - In determining the earnings or losses of the Trust, the Trust (excluding Policies and amounts transferred to Segregated Accounts) shall be valued at fair market value, as of each Participation Date and Special Valuation Date.

6.4 Accounting for Distributions - As of the preceding Participation Date or Special Valuation Date, whichever last occurred, all withdrawals of Participant contributions, all distributions made to a Participant or his Beneficiary, all transfers to Segregated Accounts, and all disbursements for Policy premiums, shall be charged to such Participant's Accrued Benefit.

6.5 Allocation Not Equivalent of Vesting - The fact that an allocation has been made, as hereinabove provided, will not operate to vest in a Participant any right, title or interest in and to any assets of the Trust. Vesting of such assets shall be accomplished at the times and on the contingencies hereinafter set forth.

6.6 Accountant's Certificate - The certificate of any accountant or Plan administrator selected by the Company, or of any bank or trust company serving as Trustee, as to the correctness of any amount, valuation or calculation under the Plan will be conclusive and binding upon all persons, subject to the provisions of Section 11.9.

6.7 Interim Valuations - In the event it is determined that the value of the Trust as of any date on which distributions are to be made differs materially from the value of the Trust on the Participation Date or prior Special Valuation Date upon which the distribution is to be based, the Company, in its discretion, shall have the right to designate any date in the interim as a Special Valuation Date for the purpose of revaluing the Trust so that the account from which the distribution is being made will, prior to the distribution, reflect its share of such material difference in value. Similarly, the Company may adopt a policy of providing for regular interim valuations (e.g. designation of the last day of each fiscal quarter as a Special Valuation Date) without regard to the materiality of changes in the value of the Trust.

6.8 Maximum Limitation on Annual Additions - Notwithstanding any Plan provisions to the contrary:

(a) To the extent necessary to prevent disqualification under Section 415 of the Internal Revenue Code, the maximum Annual Additions which may be credited to the Accrued Benefit of any Participant in any Plan Year (hereafter referred to as the "Maximum Addition") shall be equal to the lesser of \$30,000.00 (such amount, as adjusted by C/L Increases, hereafter referred to as the "Dollar Limit") or 25% of his Remuneration for the Plan Year (hereafter referred to as the "Remuneration Limit"). For this purpose, Annual Additions shall be defined as the Company contributions and forfeitures allocable to the Participant's Accrued Benefit for the Plan Year, plus the lesser of: (i) one-half of his own contributions (other than rollovers and interplan transfers) for the Plan Year, or (ii) the amount of his own such contributions in excess of 6% of his Remuneration for the Plan Year.

(b) Except as provided in the remainder of this Section 6.8(b), contributions for and/or allocations to the Accrued Benefit of any Participant, otherwise provided for or permitted by the Plan, shall be reduced or eliminated to the extent necessary to implement the limitations described in Section 6.8(a). If, for any Plan Year, the Maximum Addition is exceeded by reason of a reasonable error in estimating a Participant's Remuneration, or other circumstances approved by the Internal Revenue Service, any Participant contributions which constitute part of the Annual Addition for the Plan Year, plus or minus any investment gains or losses or other income attributable thereto, shall be returned to the Participant, to the extent of such excess. If, after returning such contributions, an excess still exists, then, subject to the right of the Company to reallocate the excess to the remaining Participants in the Plan Year in which the excess was generated (but only to the extent that such reallocation does not cause the limits set forth in this Section 6.8 to be exceeded with respect to any such Participant), such excess shall be held in a suspense account and (subject to the restrictions set forth in this Section 6.8) applied as soon as possible to reduce Company contributions attributable to subsequent Plan Years, through allocations to be made prior to any Company contributions or Participant contributions which would constitute Annual Additions for such subsequent Plan Years. No investment gains or losses or other income shall be allocated to the suspense account, and funds in the account may not be distributed to Participants or Beneficiaries, but any balance which may be in the account upon termination of the Plan will revert to the Company.

(c) Except as otherwise provided by Section 415 of the Internal Revenue Code, in any case in which an individual has at any time participated in a defined benefit plan and a defined contribution plan maintained by the Company, the sum of the defined benefit plan fraction and the defined contribution plan fraction for any year may not exceed 1.0. For this purpose:

(i) The defined benefit plan fraction for any year is a fraction, the numerator of which is the projected annual benefit (assuming continued employment until normal retirement date and constancy of all relevant factors) of the individual under the plan (determined as of the close of the year), and the denominator of which is the lesser of (A) or (B), where (A) is 1.25 times the dollar limit for such year under Section 415(b)(1)(A) of the Internal Revenue Code, and (B) is 1.4 times the remuneration limit for such year under Section 415(b)(1)(B) of the Internal Revenue Code. The defined contribution plan fraction for any year is a fraction, the numerator of which is the sum of the Annual Additions to the individual's Accrued Benefit as of the close of the year, and the denominator of which (unless the Company elects otherwise pursuant to Section 415(e)(6) of the Internal Revenue Code) is the sum of the lesser of (A) or (B), determined separately for such year and for each prior Year of Service with the Company, where (A) is 1.25 times the Dollar Limit for the applicable year, and (B) is 1.4 times the Remuneration Limit for such individual for the applicable year.

(ii) Except as otherwise provided in Section 416(h)(3) of the Internal Revenue Code, for any Plan Year with respect to which the Plan is a Top Heavy Plan, Section 6.8(c)(i) shall be applied by reducing the 1.25 factor to 1.0 in each of the two places it appears; provided, however, that this Section 6.8(c)(ii) may be disregarded for any Plan Year for which the Plan is not a Super Top Heavy Plan if, with respect to such Plan Year: (i) the requirements of Section 5.1(b) would be met if the 3% minimum contribution percentage set forth therein were one percentage point higher, and (ii) similar one percentage point additional minimum contribution or benefit accrual requirements are met by any other Retirement Plan in a Required Aggregation Group which includes this Plan, except to the extent that (iii) such requirements are eliminated by rules under Section 416(f) of the Internal Revenue Code which preclude duplication of required minimum contributions or benefit accruals.

(d) In addition to the foregoing, the Maximum Addition shall be reduced, to the extent necessary to prevent disqualification of the Plan under Section 415 of the Internal Revenue Code, with respect to any Participant who is also a participant in: (i) any other tax-qualified defined contribution plan maintained by the Company; (ii) any tax-qualified defined benefit plan maintained by the Company in which an individual medical benefit account (as described in Section 415(l) of the Internal Revenue Code) has been established for him; (iii) any welfare plan maintained by the Company in which a separate account (as described in Section

419A(d) of the Internal Revenue Code) has been established to provide post-retirement medical benefits for him; and/or (iv) any retirement or welfare plan, as aforesaid, maintained by a related employer (as described in Section 414(b), (c) or (m) of the Internal Revenue Code).

6.9 Social Security Increases - Notwithstanding any Plan provisions to the contrary, no benefit payable to any Participant (or his Beneficiary) hereunder shall be decreased because of any increase in the wage base or the benefit levels payable under Title II of the Social Security Act subsequent to the earlier of his termination of employment or commencement of benefits.

6.10 Directed Investments - Notwithstanding any other provision in the Plan, an actively employed Participant, or, to the extent permitted by the Company, a Participant whose employment has terminated for any reason, may elect, in lieu of having his Accrued Benefit invested in common with the Accrued Benefits of the other Participants, as otherwise herein set forth, to direct the Trustees to segregate and thereafter hold in a separate account (the "Directed Account") for the benefit of the Participant, the amount allocable to the Participant as of the date of segregation, in accordance with the following terms and conditions:

(a) The funds contained in the Directed Account shall be accounted for and invested separately from the remainder of the Trust, but shall be governed by the provisions of ARTICLE X, where relevant and not inconsistent with this Section 6.10. The Directed Account shall be credited or charged only with increases or decreases resulting from the administration and investment of the Directed Account as a separate entity, except that the Trustees may charge against the Directed Account, in addition to the fees and expenses directly attributable thereto (including the fees of any investment manager retained by the Participant as described herein), a pro rata portion of the Trust fees and expenses properly chargeable thereto. Thereafter, the electing Participant's Accrued Benefit shall be measured by, and his benefits (or his distribution in the event of termination of the Plan) shall be based upon, the value of the Directed Account as of the date or dates of distribution; the method of benefit payment shall be selected in accordance with Section 8.2.

(b) The power to direct the Trustees as to the investment and reinvestment of the Directed Account shall be vested in the electing Participant. In connection therewith, Section 10.3 shall be construed by substituting the Participant for the Company, and the Participant shall have the right to retain the services of an investment manager pursuant to Section 10.2(o). The Participant, or his investment manager, as the case may be, shall notify the Trustees in writing, in such form as shall be prescribed by the Trustees, of the investments, reinvestments, disposals and exchanges to be made

with respect to the Directed Account, and the Trustees shall forthwith implement such written instructions, except that the Trustees shall not be required to make any investment, or otherwise follow any direction of the Participant or his investment manager, that is contrary to the terms of the Plan or which cannot, under reasonable circumstances, be administered or followed, as the case may be, by the Trustees. Any such investment direction, or any investment direction which is, in the judgment of the Trustees, incomplete or unclear, will be ineffective and may be treated by the Trustees as if no such investment direction had been given. Within a reasonable time after the Trustees receive an investment direction which they deem ineffective, the Trustees shall so inform the Participant or investment manager in writing.

(c) Notwithstanding any other provision of the Plan, neither the Trustees nor the Company nor any other person who may be a fiduciary with respect to the Plan shall have any liability, fiduciary or otherwise, for any loss arising from or as a result of the Participant's election pursuant to this Section 6.10, or any investment decision or other exercise of control by the Participant, or his investment manager, or the Trustees' inability to carry out any aspect of the Participant's or investment manager's instructions or its treatment of any investment direction as ineffective, as aforesaid. The Trustees are specifically absolved of any statutory, judicial, legal or other responsibility with respect to the investments and reinvestments directed by the Participant or his investment manager under this reserved power, and the Trustees shall not be obliged to manage or review the investments and reinvestments so acquired; provided, however, that the Trustees shall remain fully responsible for the purely ministerial duties of safekeeping, collecting and crediting the income and other similar routine and non-discretionary duties.

(d) Except as otherwise permitted by the Trustees all directed investments shall be limited to securities listed on a recognized exchange or "over the counter," mutual fund shares, corporate and governmental obligations, money market securities, savings investment media and endowment or annuity contracts; provided, however, that such investments shall not threaten the qualification of the Plan under Section 401 of the Internal Revenue Code or constitute a "prohibited transaction" under Section 4975 of the Internal Revenue Code, and in no event may the Trustees invest in "collectibles" as defined in Section 408(m)(2) of the Internal Revenue Code.

(e) The election by the Participant to segregate his Accrued Benefit, or to return to common investment with the remainder of the Trust, shall become effective as of the next succeeding Participation Date which occurs at least 15 days following receipt by the Company of written notice of election from the Participant. If

the Participant or his investment manager fails to effectively direct the Trustees as to the investment of the Directed Account, the remainder shall be held by the Trustees, in cash or as then invested, until such time as the Trustees receive an effective investment direction, or shall be invested by the Trustees, in their discretion, as provided in ARTICLE X.

(f) The Company, at any time and in its sole discretion, may suspend the operation of this Section 6.10. With the consent of the Company, the provisions of this Section 6.10 may be elected with respect to a portion of the Participant's Accrued Benefit.

END OF ARTICLE VI

ARTICLE VII

Terminations of Service

7.1 Retirement - Every Participant who is not disentitled by reason of the prior termination of his employment with the Company shall be deemed to have reached retirement upon the first to occur of the following events:

(a) Normal Retirement or Deferred Retirement -

The later of the Anniversary Date following the date upon which a Participant attains age 65 or the 10th anniversary of the date the Participant commenced participation in the Plan. If the Participant remains in the employ of the Company after such date, the effective date of his actual retirement; or

(b) Early Retirement - Any Anniversary Date

following the Participant's attainment of age 55 with 10 Years of Service with the Company.

As of his Distribution Date, such retired Participant shall be entitled to the full value of his Accrued Benefit (which shall be deemed to be 100% vested upon the first to occur of the Participant's 65th birthday, whether or not he remains in the employ of the Company thereafter, or his actual retirement as aforesaid), payable according to the provisions of Article VIII.

7.2 Disability - If a Participant, at any time prior to his retirement or other termination of employment with the Company, shall become totally and permanently disabled, and if proof of such disability satisfactory to the Company shall be furnished (which proof shall include a written statement of a licensed physician appointed or approved by the Company), such Participant, as of his Distribution Date, shall be entitled to the full value of his Accrued Benefit (which shall be deemed to be 100% vested), payable according to the provisions of ARTICLE VIII. A Participant shall be considered to be totally and permanently disabled if he is eligible for and receives permanent disability benefits under Section 223 of the Social Security Act. A Participant who has applied for disability benefits under the Social Security Act is not eligible for disability benefits under the Plan pending the disposition of such application by the Social Security Administration.

7.3 Death - In the event of the death of a Participant prior to his retirement, disability or other termination of employment, then, as of his Distribution Date, the amounts payable under the Policies on his life plus the full value of his Accrued

Benefit (which shall be deemed to be 100% vested) shall become payable, according to the provisions of ARTICLE VIII, to his designated Beneficiary, upon submission of proof of death satisfactory to the Company.

Notwithstanding anything to the contrary, if a person who was a Participant dies, but at the time of his death did not meet the Plan's eligibility requirements, except by reason of early or normal retirement or disability, then such person's death benefits under the Plan shall be the value of his Accrued benefit as of the last previous Participation Date multiplied by his vested percentage determined as of the day prior to his death plus the face amount of the Policies, if any, payable by reason of the death.

7.4 Other Terminations - In the event of a termination of employment by a Participant for any reason other than retirement, disability or death, then, as of his Distribution Date, he shall become entitled to the vested portion of his Accrued Benefit, determined according to the provisions of this Section and payable according to the provisions of ARTICLE VIII. Each Participant shall acquire a vested interest in his Accrued Benefit equal to the entire portion thereof attributable to his own contributions, plus a percentage of the remaining portion, determined on the basis of the number of his Years of Service (other than those disregarded pursuant to Section 3.2(b) or 4.1), according to the following schedule:

<u>Years of Service</u>	<u>Percentage Vested</u>
Less than 1	0%
1	10%
2	20%
3	30%
4	40%
5	50%
6	60%
7	70%
8	80%
9	90%
10 or more	100%

In addition, all Participants who were Participants on December 31, 1973, shall be 100% vested in their Accrued Benefit as of that date.

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For any Plan Year with respect to which the Plan is a Top Heavy Plan, the following vesting schedule shall be substituted for the vesting described in the preceding paragraph with respect to any Participant who completes at least one Hour of Service after the Plan becomes a Top Heavy Plan:

<u>Years of Service</u>	<u>Percentage Vested</u>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

Once effective, the vesting schedule set forth herein shall not revert to the vesting described in the preceding paragraph in the absence of a Plan amendment which meets the requirements of the last paragraph of this Section 7.4.

In the event of a termination of employment described in this Section 7.4 at a time when a Participant's Accrued Benefit shall not yet be 100% vested, then, as of the forfeiture date set forth in Section 8.5(c), that portion which shall not have vested shall be forfeited by him. The aggregate of such forfeitures occurring in any Plan Year shall be used to reduce the Company's contribution to the Plan attributable to the Plan Year in which the forfeitures occurred; any excess of said forfeitures over the said contribution shall be held in a suspense account and applied as soon as possible to reduce Company contributions attributable to subsequent Plan Years.

No Plan amendment changing the Plan's vesting schedule may reduce the vested percentage of a Participant's Accrued Benefit determined as of the later of the date the amendment is adopted or it becomes effective. In the event of the adoption of any Plan amendment which changes the vesting schedule, each Participant shall have the right to elect (irrevocably, except as the Company shall otherwise permit) to have the vested percentage of his Accrued Benefit determined under the vesting schedule in effect prior to the amendment, which right shall be exercised, if at all, by the filing of written notice with the Company during the period beginning with the date of adoption of the amendment and ending 60 days after the

latest of the said adoption date, the effective date of the amendment, or the date the Participant receives written notice of the amendment; provided, however, that the right to elect applies only to individuals: (i) who are Participants when the election is made, (ii) who have completed five Years of Service on or before the later of the adoption or the effective date of the amendment, and (iii) other than any individual whose vested percentage under the amended vesting schedule cannot at any time be less than his vested percentage under the prior vesting schedule.

END OF ARTICLE VII

ARTICLE VIII

Distribution of Benefits

8.1 Amount - Upon reaching his Distribution Date, a Participant (or his Beneficiary) shall become entitled to receive his Accrued Benefit, to the extent then vested; provided, however, that any benefits shall be distributed only as provided by Section 8.2. Determination of the amount to be distributed shall be based upon the evaluation of the Trust made as of the Participation Date or Special Valuation Date, whichever last occurred, coincident with or otherwise immediately preceding the Distribution Date. However, if a Participant who has reached his Distribution Date during a Plan Year would be entitled, pursuant to Section 5.1, to a share of any contribution made by the Company with respect to the Plan Year, determination of the amount to be distributed shall be based upon the evaluation of the Trust made as of the Participation Date coincident with or otherwise next following the Distribution Date.

8.2 Method of Payment - Except as otherwise set forth in Sections 5.4, 8.4 and 8.6, the Company shall determine, in its discretion, whether the amount to which a Participant who has reached his Distribution Date (or his Beneficiary) is entitled shall be distributed in cash or in property valued at its fair market value, or partly in each, and shall determine whether the distribution shall be made in a lump sum (subject to the consent of the Participant if the distribution exceeds \$3,500.00), in a fixed number of installments, or by the purchase of a paid-up annuity contract for the Participant and/or his Beneficiary, or whether a combination of such methods of distribution shall be used, and the Company shall give to the Trustees such directions and information as may be necessary for the Trustees to carry out the decision of the Company. The Company shall have the right at any time to change or modify its decision or decisions in respect to the method or methods of distribution.

Distribution of the Accrued Benefit of a Participant shall be subject to the following:

(a) Installment Payments - If all or any part of the distribution by the Trustees is to be in installments, the Company shall determine the period over which such installments are to be paid, and whether payments shall be made monthly, quarterly, semi-annually, annually or otherwise. In the discretion of the Company, the total to be so distributed shall either: (i) continue to be invested in those assets currently retained in the Trust, in which case any income, gain or loss attributable thereto (but not Company

contributions or forfeitures) shall be reflected in the installment distributions, in such equitable manner as the Trustees shall determine, or (ii) transferred to a Segregated Account.

(b) Annuity Options - If all or any part of the amount to be distributed shall be used to purchase a paid-up annuity contract, the Company shall select such form of contract (including a variable annuity) to be so purchased and such payment option thereunder as the Company shall deem best for the Participant, and the Company shall direct the Trustees to pay the premium of such contract to the issuing company. The Company shall direct that all right, title and interest in such contract shall remain in the Trustees under the terms of the Plan and the Participant shall have no right, title or interest therein except to receive the payments therefrom as provided therein, and to change the Beneficiary from time to time; alternatively, the Company may direct that the contract shall be purchased in the name of the Participant and distributed to him free and clear of the Trust, in which case the contract shall be issued so as to be nontransferable, and it shall not contain a death benefit in excess of the greater of the reserve or the total premiums paid for annuity benefits.

(c) Limitations - Distribution in the form of installment payments or the purchase of an annuity Policy shall be made only in accordance with regulations prescribed by the Internal Revenue Service and shall comply with both of Limitations I and II, as follows:

(i) Limitation I - Distribution shall begin not later than the April 1 immediately following the calendar year (hereinafter referred to as the "Commencement Year") in which the Participant reaches age 70-1/2 or (except as otherwise provided in Section 8.7) in which he subsequently retires, and shall be made over: (A) the life of the Participant; (B) the lives of the Participant and his designated Beneficiary; (C) a period certain not extending beyond the life expectancy of the Participant; (D) a period certain not extending beyond the joint life and last survivor expectancy of the Participant and his designated Beneficiary; or (E) any combination thereof. For purposes of Limitation I:

(A) Life expectancies shall be determined, using the appropriate expected return multiples in Treasury Regulation Section 1.72-9 (or any regulation or other Internal Revenue Service-approved source substituted therefor), based upon the Participant's age (in whole years) as of the date on which the Participant attains age 70-1/2 or, if later, the first to occur of the Participant's actual retirement or his benefit commencement by reason of Section 8.7.

(B) The amount to be distributed during each calendar year (hereinafter referred to as a "Payment Year") beginning with the Commencement Year, shall be at least equal to the lesser of:

(1) the Participant's total undistributed Accrued Benefit;

(2) an amount equal to the quotient obtained by dividing the Participant's Accrued Benefit as of the beginning of the Payment Year by the applicable life expectancy (determined pursuant to (A) above) reduced by one for each Payment Year which has begun since the Commencement Year, except that, in the discretion of the Company, the life expectancy of the Participant, or the joint life and last survivor expectancy of the Participant and his spouse, may be redetermined pursuant to (A) above at any time (but not more frequently than annually); or

(3) an amount which, when added to the payments made in all prior Payment Years, equals the cumulative amount required to be paid pursuant to Limitation I for the current and all prior Payment Years.

(C) A required distribution shall be deemed to have been made during a Payment Year if actually made by the following April 1.

(D) Benefits may be paid prior to the Commencement Year without regard to, and any such payments shall reduce the aggregate amount subject to, Limitation I.

(E) Nothing contained in Limitation I shall prevent the purchase of, or distribution under, an annuity Policy which provides for substantially non-increasing payments beginning in the Commencement Year and payable over a period permitted by Limitation I (for which purpose life expectancies may be determined by reference to the insurance company's mortality tables rather than pursuant to (A) above).

(ii) Limitation II - The mode of payment shall either be: (A) one in which the present value of the payments to be made to the Participant is more than 50% of the present value of the payments to be made to the Participant and his Beneficiaries (based on actual lives or on life expectancies as of the date of commencement of benefits); or (B) one in which annual, or more frequent, installments are paid to the Participant (or, in the event of death, his Beneficiary, who need not be his spouse) over a period certain not exceeding the joint life and last survivor expectancy of the Participant and his spouse (such installments to be substantially

equal in amount, subject to fluctuations in value of the Accrued Benefit during the payment period, except that installments payable after the termination of the Participant's life expectancy or life may be smaller than those payable prior thereto); or (C) one in which annual, or more frequent, annuity payments are paid to the Participant for life and thereafter annuity payments not more than 100% of those made to the Participant continue to his Beneficiary (who need not be his spouse) for as long as the spouse shall survive the Participant.

Notwithstanding the foregoing, benefits payable to or on behalf of any Participant who, on or before December 31, 1983 (or such later date as may be permitted by law), made a valid designation of method of distribution (as described in Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act of 1982) which complies with Limitation II, shall (if such designation has not been revoked by the Participant) be paid in accordance with such designation without regard to whether or not such designation complies with Limitation I; provided, however, that the Company may disregard, accelerate the payments under, or otherwise modify, such designation to the extent that it believes that distribution in accordance with such designation will adversely affect the Plan's tax-qualified status.

8.3 Benefit Commencement Deadline - Except as otherwise provided in Section 8.7, the payment of benefits under the Plan to each Participant will commence within a reasonable period of time after the later of his Distribution Date or the date set forth in Section 8.1 as of which his distribution is to be evaluated, or such other date as may be determined pursuant to Section 8.5, but in no event (unless the Participant otherwise elects pursuant to any elective provision which may be then present in the Plan), shall benefits begin later than the 60th day after the close of the Plan Year in which occurs the latest of: (i) the date on which the Participant attains age 65 (or any earlier normal retirement age which may be then specified in the Plan); (ii) the tenth anniversary of the year in which the Participant commenced Plan participation; or (iii) the termination of the Participant's service with the Company.

8.4 Special Provisions - Death Benefits - Subject to Section 8.6(c), the following provisions govern the payment of death benefits following the death of a Participant:

(a) Upon the death of a Participant while in the active employ of the Company, or after termination of employment but before commencement of his benefits, or before he has received all of the amount to which he is entitled pursuant to the option under which his benefits are being paid, the entire (or remaining) value of his Accrued Benefit (including insurance proceeds) shall be paid to the person or persons designated in accordance with ARTICLE IX.

(b) All death benefits payable pursuant to this Section 8.4 shall be paid in a single lump sum: (i) unless the Participant shall have elected another method of distribution, or (ii) if the Participant has neither elected another method of settlement nor affirmatively elected a lump sum, unless his Beneficiary or Beneficiaries shall have elected another method of payment; provided, however, that payment in other than a lump sum shall be subject to the consent of, and to acceleration at any time at the direction of, the Company.

(c) All death benefits payable pursuant to this Section 8.4 shall be distributed in full within five years after the death of the Participant, except as follows:

(i) Benefits payable to or for the benefit of a Beneficiary designated by the Participant, and which begin not later than one year after the Participant's death (except as otherwise permitted under Internal Revenue Service regulations), may be distributed over the life of the Beneficiary or a period certain not extending beyond the life expectancy of the Beneficiary, under a method of distribution which meets the requirements of Limitation I of Section 8.2 (except that no redeterminations of the Beneficiary's life expectancy may be made after the initial determination).

(ii) If the Participant has designated his surviving spouse as a Beneficiary, benefits payable to or for the benefit of the spouse, and which begin not later than the later of one year after the Participant's death (except as otherwise permitted under Internal Revenue Service regulations) or the date on which the Participant would have reached age 70-1/2, may be distributed over the life of the spouse or a period certain not extending beyond the life expectancy of the spouse, under a method of distribution which meets the requirements of Limitation I of Section 8.2. For this purpose, benefits paid to or for the benefit of a child of the Participant, with provision that they become payable to the Participant's surviving spouse when the child reaches majority or in any other event described in Internal Revenue Service regulations, shall be treated as if they had been paid to the spouse.

(iii) If benefits are payable in accordance with Section 8.4(c)(ii), and the surviving spouse dies prior to benefit commencement, the aforesaid five year limit shall be measured from the death of the spouse.

(iv) If distribution of benefits to the Participant had commenced pursuant to Section 8.2 prior to his death, the death benefits payable pursuant to this Section 8.4 may be distributed without regard to the aforesaid five year limit, but must be distributed at least as rapidly as they would have been under the pre-death method of distribution.

(v) Nothing contained in this Section 8.4(c) shall prevent the purchase of, or distribution under, an annuity Policy which meets the requirements of Limitation I of Section 8.2.

Notwithstanding the foregoing, death benefits payable on behalf of any Participant who, on or before December 31, 1983 (or such later date as may be permitted by law), made a valid designation of method of distribution (as described in Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act of 1982), may be paid in accordance with such designation without regard to whether or not such designation complies with this Section 8.4(c); provided, however, that the Company may disregard, accelerate payments under, or otherwise modify, such designation to the extent that it believes that distribution in accordance with such designation will adversely affect the Plan's tax-qualified status.

(d) If a deceased Participant was receiving benefits under an annuity option, and such annuity contains provisions for survivorship payments, such survivorship payments shall be made in accordance with the annuity contract. If a deceased Participant was to have received his benefits under an annuity option, and his death occurs prior to the completed purchase of an annuity by the Trustees, the entire amount which would have been utilized for such purchase shall be paid to the person or persons designated in accordance with Section 8.4(a).

8.5 Special Provisions - Termination Benefits -

(a) Deferral Beyond Distribution Date - Payment of benefits to a Participant who has reached his Distribution Date by reason of a termination of employment other than retirement, disability or death, pursuant to Section 7.4, shall be deferred until the Participant's 65th birthday, or, if the Participant has met the Years of Service requirement of Section 7.1(b) as of his Distribution Date, his attainment of the age requirement set forth therein (at which time said benefits will be payable as provided in this ARTICLE

VIII), unless the Company, in its discretion, elects to commence distribution of such Participant's benefits at an earlier date; prior to the commencement of benefits, the deferred benefits shall, in the discretion of the Company, remain invested in the commingled Trust assets, or be used to purchase an annuity Policy (limited as provided in Section 8.2(b)) providing for deferred benefits, or be transferred to a Segregated Account.

(b) Interim Before Distribution Date - If the vested portion of the Accrued Benefit of a Participant who terminates employment for reasons other than retirement, disability or death, as described in Section 7.4, is less than 100%, so that his Distribution Date does not coincide with the date on which he ceases to be an Employee, the Company shall have the right to determine whether the Accrued Benefit shall remain invested in the commingled Trust assets during the interim period, or be transferred (in whole or in part) to a Segregated Account. Additionally, the Company, subject to the consent of the Participant if the distribution is \$3,500.00 or more, and subject to Sections 8.6(b) and (f) if applicable, may in its discretion direct the Trustees to make a lump sum distribution to the Participant of the vested portion of his Accrued Benefit at any time before the Distribution Date, based upon the most recent valuation thereof.

(c) Forfeiture and Special Vesting Formula - If a Participant receives a lump sum distribution as described in Section 8.5(b) not later than the end of the second Plan Year following the Plan Year in which his termination of employment occurred, forfeiture of the non-vested portion of his Accrued Benefit shall occur (subject to restoration pursuant to Section 3.2(e)) as of the date on which the distribution is made. If, upon termination of employment, a Participant has no vested interest in his Accrued Benefit, forfeiture of his entire Accrued Benefit shall occur (subject to restoration pursuant to Section 3.2(e)) as of the date of termination of employment. In any other case involving a termination described in Section 8.5(b): (i) forfeiture of the non-vested portion of the terminated Participant's Accrued Benefit shall occur on the Participant's Distribution Date, (ii) a separate account shall be established for the Participant's Accrued Benefit as of the time of the distribution, and (iii) at any relevant time the vested portion of the separate account shall be equal to an amount determined by the formula: $P(AB + (R \times D)) - (R \times D)$, where P is the vested percentage at the relevant time, AB is the separate account balance at the relevant time, D is the amount of the distribution, R is the ratio of the separate account balance at the relevant time to the separate account balance after distribution, and the relevant time is the Participant's Distribution Date. This Section 8.5(c) shall be construed without regard to any portion of the Participant's Accrued Benefit attributable to his own contributions.

8.6 Special Provisions - Married Participants -
Notwithstanding any other provisions of this ARTICLE VIII to the contrary, but subject to the provisions of any relevant qualified domestic relations order (as defined in Section 414(p) of the Internal Revenue Code):

(a) Lifetime Benefits - If all of the following conditions are met, the benefits to which a Participant is entitled shall be distributed through the purchase, pursuant to Section 8.2(b), of an annuity contract providing for monthly payments to the Participant for life and for the continuance, after the Participant's death, of monthly payments to the Participant's surviving spouse for the remainder of the spouse's life in an amount equal to 50% of the monthly amount payable during their joint lives:

(i) The Participant is married on his benefit commencement date;

(ii) The distribution is not being made by reason of the Participant's death;

(iii) A waiver of the joint and survivor benefit form pursuant to Section 8.6(b) is not in effect on the benefit commencement date; and

(iv) The Company does not implement a cash-out pursuant to Section 8.6(f).

(b) Waiver of Lifetime Benefits - Section 8.6(a) shall have no application if the Participant elects in writing not to receive his benefits in the joint and survivor annuity form described therein. To be effective, such election: (i) must be made during the 90 day period ending on the Participant's benefit commencement date, and (ii) must be consented to by the Participant's spouse in a written consent which is executed by the spouse in the presence of a notary public or a Plan representative and which acknowledges the effect of the election (unless it is established to the satisfaction of a Plan representative that the consent cannot be obtained because there is no spouse, or the spouse cannot be located, or by reason of other circumstances described in regulations issued by the Internal Revenue Service). The election may be revoked (and re-elected) at any time during the election period described above, provided that each such election (but not any revocation) is consented to by the Participant's spouse as aforesaid. The consent of a spouse, or a determination that the consent of a spouse cannot be obtained, is not effective as to any subsequent spouse of the Participant.

(c) Death Benefits - If all of the following conditions are met, the Accrued Benefit of a deceased Participant shall be distributed (regardless of any contrary Beneficiary designation pursuant to Section 9.1) through the purchase, pursuant to Section 8.2(b), of an annuity contract providing for monthly payments to his spouse for life:

(i) The Participant has been continuously married throughout the one year period ending on the date of his death;

(ii) On the date of, but without regard to, his death, the Participant had a vested interest in the portion of his Accrued Benefit attributable to Company contributions;

(iii) The Participant's death occurs before his benefit commencement date;

(iv) A waiver of the survivor annuity benefit form pursuant to Section 8.6(d) is not in effect at the date of death; and

(v) The Company does not implement a cash-out pursuant to Section 8.6(f).

Any annuity contract purchased hereunder shall provide for immediate commencement of benefits unless the spouse, by written notice to the Plan prior to the purchase of the contract, elects a deferred benefit commencement date (within the limits set forth in Section 8.4(c)).

(d) Waiver of Death Benefits - Section 8.6(c) shall have no application if the Participant elects in writing not to have his death benefits distributed to his spouse in the survivor annuity form described therein. To be effective, such election: (i) must be made by the Participant during his lifetime, but not earlier than the first to occur of his separation from service or the first day of the Plan Year in which he reaches his 35th birthday, and (ii) must be consented to by the Participant's spouse in a written consent which is executed by the spouse in the presence of a notary public or a Plan representative and which acknowledges the effect of the election (unless it is established to the satisfaction of a Plan representative that the consent cannot be obtained because there is no spouse, or the spouse cannot be located, or by reason of other circumstances described in regulations issued by the Internal Revenue Service). The election may be revoked (and re-elected) at any time during the election period described above, provided that: (i) each such election (but not any revocation) is consented to by the Participant's spouse as aforesaid, and (ii) an election made by a Participant following a separation from service but prior to the Plan

Year in which he reaches his 35th birthday shall not be effective with respect to any portion of his Accrued Benefit attributable to service following a return to the Company's employ. The consent of a spouse, or a determination that the consent of a spouse cannot be obtained, is not effective as to any subsequent spouse of the Participant.

(e) Notice Requirements - Subject to, and in accordance with, regulations issued by the Internal Revenue Service, explanatory notices shall be provided to each applicable Participant as follows:

(i) Lifetime Benefits - Within a reasonable period of time prior to the Participant's benefit commencement date, the Company will provide the Participant with a written explanation of the joint and survivor annuity and the Participant's and spouse's waiver, revocation and consent rights with respect thereto.

(ii) Death Benefits - During the period beginning on the first day of the Plan Year in which the Participant reaches his 32nd birthday and ending on the last day of the Plan Year preceding the Plan Year in which he reaches his 35th birthday (or during such other period as may be provided in regulations issued by the Internal Revenue Service with respect to any individual who is not a Participant during part or all of such period), the Company will provide the Participant with a written explanation of the survivor annuity and the Participant's and spouse's waiver, revocation and consent rights with respect thereto.

(f) Cash-Out - Notwithstanding the provisions of Sections 8.6(a) and (c), the Company shall have the right, in its discretion, to cause the benefit described therein to be distributed (in lieu of the purchase of an annuity contract) in an immediate lump sum payment to the Participant, if living, otherwise to his surviving spouse; provided, however, that, unless the distribution is less than \$3,500.00, it may not be made without the written consent of the Participant, if living, and the Participant's spouse (including compliance with Section 8.6(b) if Section 8.6(a) would otherwise be applicable).

(g) Benefit Commencement Date - For purposes of this Section 8.6, the first day of the first period for which a periodic benefit payment is due shall be deemed to be a benefit commencement date.

8.7 Special Provisions - 5% Owner Distributions at 70-1/2 - Notwithstanding any other Plan provisions to the contrary, if an actively-employed Participant is a 5% Owner at any time during the Plan Year ending in the calendar year in which he reaches age 70-1/2, the payment of his Accrued Benefit shall be made or

commenced, in accordance with this ARTICLE VIII (which shall be construed as if the Participant had reached his Distribution Date by reason of retirement), even though the Participant has not actually retired. Distribution pursuant hereto shall be made or commenced not later than the April 1 immediately following said calendar year, and shall be based upon the evaluation of the Trust made as of the Participation Date or Special Valuation Date, whichever last occurred, immediately preceding the date of payment or commencement. However, notwithstanding the payment or commencement of benefits pursuant to this Section 8.7, all other aspects of the Participant's Plan participation, including the crediting of additional contributions to his Accrued Benefit, shall continue in accordance with the remaining provisions of the Plan. A 5% Owner is an individual who owns more than 5% of the Company (as determined under Section 416(i)(1) of the Internal Revenue Code), for which purpose ownership shall include constructive ownership within the meaning of Section 318 of the Internal Revenue Code (applied by substituting 5% for 50% in Section 318(a)(2)(C)) and similar principles in any regulations issued by the Internal Revenue Service in connection with non-corporate employers.

This Section 8.7 shall not apply to any Participant who, on or before December 31, 1983 (or such later date as may be permitted by law), made a valid designation of method of distribution (as described in Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act of 1982) negating its effect; provided, however, that the Company may disregard any such designation to the extent that it believes that failure to make payment pursuant to this Section 8.7 will adversely affect the Plan's tax-qualified status.

END OF ARTICLE VIII

ARTICLE IX

Beneficiaries; Participant Data

9.1 Designation of Beneficiaries - Each Participant from time to time may designate any person or persons (who may be named contingently or successively) to receive such benefits as may be payable under the Plan upon or after his death, and such designation may be changed from time to time by the Participant by filing a new designation. Each designation will revoke all prior designations by the same Participant, shall be in form prescribed by the Company, and will be effective only when filed in writing with the Company during his lifetime. Further, each Participant may similarly name the person or persons who are to receive the death benefits payable under any Policies held by the Trustees for the benefit of the Participant; the Company shall direct the Trustees to effectuate any such naming or changing of Policy beneficiary designations. The provisions of this Section 9.1 shall be subject to the applicable provisions of any such Policy and the applicable rules of the issuing company.

In the absence of a valid Beneficiary designation (except in conjunction with the election of a form of benefit payment which does not require the designation of a specific Beneficiary), or if, at the time any benefit payment is due to a Beneficiary, there is no living Beneficiary validly named by the Participant, the Company shall direct the Trustees to distribute any such benefit payment to the Participant's spouse, if then living, otherwise to the Participant's then living descendants, if any, per stirpes, otherwise to the Participant's then living parent or parents, equally, otherwise to the Participant's estate. In determining the existence or identity of anyone entitled to a benefit payment, the Company and the Trustees may rely conclusively upon information supplied by the Participant's Personal Representative. In the event of a lack of adequate information having been supplied to the Company, or in the event that any question arises as to the existence or identity of anyone entitled to receive a benefit payment as aforesaid, or in the event that a dispute arises with respect to any such payment, then, notwithstanding the foregoing, the Company, in its sole discretion, may direct the Trustees to distribute such payment to the Participant's estate without liability for any tax or other consequences which might flow therefrom.

9.2 Information to be Furnished by Participants and Beneficiaries - Any communication, statement or notice addressed to a Participant or Beneficiary at his last post office address filed with the Company, or if no such address was filed with the Company then at his last post office address as shown on the Company's records, shall be binding on the Participant or Beneficiary for all

purposes of the Plan. Except for the Company's sending of a registered letter to the last known address, neither the Trustees nor the Company shall be obliged to search for any Participant or Beneficiary. If the Company notifies any Participant or Beneficiary of a deceased Participant that he is entitled to an amount under the Plan and the Participant or Beneficiary fails to claim such amount or make his location known to the Company within three years thereafter, then, except as otherwise required by law, if the location of one or more of the next of kin of the Participant, including his surviving spouse, is known to the Company, it may direct distribution of such amount to any one or more or all of such next of kin, and in such proportions as the Company determines. If the location of none of the foregoing persons can be determined, the Company shall have the right to direct that the amount payable shall be deemed to be a forfeiture and treated in accordance with Section 7.4, except that the dollar amount of the forfeiture, unadjusted for gains or losses in the interim, shall be reinstated if a claim for the benefit is made by the Participant or Beneficiary to whom it was payable. If a benefit payable to an unlocated Participant or Beneficiary is subject to escheat pursuant to applicable state law, neither the Trustees nor the Company shall be liable to any person for any payment made in accordance with such law.

END OF ARTICLE IX

ARTICLE X

The Trust Fund

10.1 Establishment and Acceptance of Trust - The Trust will consist of all funds held by the Trustees under the Plan, including contributions made pursuant to the provisions hereof and the investments, reinvestments and proceeds thereof. The Trust shall be held, managed, invested and administered in trust pursuant to the terms of the Plan. The Trustees hereby accept the Trust created hereunder and agree to perform the duties under the Plan on their part to be performed. Except as otherwise expressly provided for in the Plan, the Trustees shall have exclusive authority and discretion to manage and control the Trust assets. The duties, powers and responsibilities reserved to the Trustees may be allocated among the Trustees (if there be more than one) so long as such allocation is pursuant to action of the Company, or by written agreement executed by the Trustees and approved by the Company, in which case, except as may be required by the Retirement Security Act, no Trustee shall have any liability, with respect to any duties, powers or responsibilities not allocated to him, for the acts or omissions of any other Trustee.

10.2 Powers of Trustees - With respect to the Trust, the Trustees shall have the following powers, in addition to those vested in them elsewhere in the Plan or by law:

(a) To ~~retain~~ **retain in cash** so much of the Trust as they deem advisable and to deposit any cash so retained in any bank or similar financial institution (including any such institution which is a Trustee hereunder) without liability for interest.

(b) ~~To invest~~ **invest** the balance of the Trust in any shares of stock, bonds, securities, mortgages, notes, partnership or joint venture interests, choses in action, options, deposits bearing a reasonable rate of interest in any federally or state supervised bank or similar financial institution (including any such institution which is a Trustee hereunder), leaseholds, real estate, other evidences of indebtedness or ownership, and other property of any kind, real, personal or mixed, wherever located, as in the opinion of the Trustees offer possibilities for investment return through income and/or capital appreciation; in making such investments, the Trustees shall not be restricted to securities or other property of the character authorized or required by applicable law, custom or rules of court from time to time for trust investments.

(c) To manage, sell, contract to sell, deal in options with respect to, create holding companies to own, convey, dispose of, mortgage, exchange, transfer, abandon, improve, develop, preserve, repair, insure, lease for any term even though commencing in the future or extending beyond the term of the Trust, make contracts for, bid for, acquire, and otherwise deal with (alone or with others, and utilizing other Trust assets where appropriate), all property, real or personal, in such manner, for such considerations, and on such terms and conditions as the Trustees shall decide.

(d) To invest the assets of the Trust in any collective or commingled trust fund maintained by a bank or trust company, including any bank or trust company which may act as a Trustee hereunder. In this connection, the commingling of the assets of the Trust with assets of other eligible, participating trusts through such a medium is hereby specifically authorized. Any assets of the Trust which may be so added to such collective trusts shall be subject to all of the provisions of the applicable declaration of trust, as amended from time to time, which declaration, if required by its terms or by applicable regulations under the Internal Revenue Code or the Retirement Security Act, is hereby adopted as part of the Plan, to the extent of the participation in such collective or commingled trust fund by the Trust.

(e) To make any payment or distribution directed by the Company or otherwise required or advisable to carry out the provisions of the Plan.

(f) With the approval of the Company, to borrow money from others upon such terms and conditions as they may deem proper, and, for the sum so borrowed, to issue promissory notes and secure the repayment thereof by the pledging of any Trust assets.

(g) To compromise, contest, arbitrate, enforce or abandon claims and demands.

(h) To have with respect to the Trust all of the rights of an individual owner, including the power to vote or give proxies, to join in, dissent from or oppose any voting trusts, mergers, consolidations, foreclosures, reorganizations, or liquidations, and to exercise or sell stock subscription rights or, if the Plan receives adequate consideration, conversion rights.

(i) To hold any securities or other property in the names of the Trustees or their nominees, or in such other form as they deem best, with or without disclosing the trust relationship, and to cause or permit any Trust property to be held for safekeeping or custodial purposes by any authorized person or entity; provided, however, that, except as may be authorized pursuant to the Retirement

Security Act, the indicia of ownership of any Trust property may not be maintained outside the jurisdiction of the district courts of the United States.

(j) To retain any funds or property subject to any dispute without liability for the payment of interest, and to decline to make payment or delivery thereof until final adjudication is made by a court of competent jurisdiction, or the Trustees are indemnified against loss to their satisfaction.

(k) After advance notice to the Company, to pay, and to deduct from and charge against the Trust, any taxes which may be imposed upon the Trust, the income, property or transfer thereof, or upon or with respect to the interest of any person therein, which the Trustees are required to pay; to contest, in their discretion, the validity or amount of any tax, assessment, claim or demand which may be levied or made against or in respect of the Trust, the income, property or transfer thereof, or in any matter or thing connected therewith, provided they are indemnified to their satisfaction.

(l) After advance notice to the Company, to begin, maintain or defend any litigation necessary in connection with the administration of the Trust, except that the Trustees shall not be obliged or required to do so unless indemnified to their satisfaction.

(m) To make, execute and deliver, as Trustees, any and all deeds, leases, mortgages, conveyances, contracts, waivers, releases or other instruments in writing necessary or proper for the accomplishment of any of the foregoing powers; in the event that there be more than one Trustee under the Plan, any single Trustee shall have the power to execute, on behalf of all of the Trustees, any document or return to be filed with any governmental agency or insurance company; all of the Trustees at any time acting hereunder may, by a written instrument, designate each or any of such Trustees, severally or any two or more of them, jointly, and/or any one or more other persons, severally or jointly, to make, execute, acknowledge or deliver on behalf of all of the Trustees any instrument to be executed by the Trustees, and all of the Trustees at any time acting hereunder may, by a written instrument, revoke and/or change any such designation.

(n) To appoint any persons or firms (including but not limited to, accountants, investment advisors, counsel, actuaries, physicians, appraisers, consultants, professional plan administrators and other specialists) and to pay their reasonable compensation and expenses, or otherwise act to secure specialized advice or assistance, as they deem necessary or desirable in connection with the management of the Trust; to the extent not prohibited by the Retirement Security Act, the Trustees shall be entitled to rely

conclusively upon, and shall be fully protected in any action taken or omission made by them in good faith reliance upon, the advice or opinion of such persons or firms, provided such persons or firms were prudently chosen by the Trustees, taking into account the interests of the Participants and Beneficiaries and with due regard to the ability of the persons or firms to perform their assigned functions.

(o) With the approval of the Company, to retain the services of one or more persons or firms for the management of (including the power to acquire and dispose of) all or any part of the Trust assets, provided that each of such persons or firms is registered as an investment advisor under the Investment Advisors Act of 1940, is a bank (as defined in that Act), or is an insurance company qualified to manage, acquire or dispose of Trust assets under the laws of more than one state, and provided that each of such persons or firms has acknowledged in writing that he is a fiduciary with respect to the Plan; in such event, the investment manager or managers shall have the same investment powers and duties as are set forth herein with respect to the Trustees (except as limited by the terms of the applicable asset management arrangement or agreement), and the Trustees shall follow the directions of such investment manager or managers with respect to the acquisition and disposition of Trust assets, but shall not be liable for the acts or omissions of such investment manager or managers, nor shall they be under any obligation to review, invest or otherwise manage any Trust assets which are subject to the management of such investment manager or managers.

(p) With the approval of the Company, to apply for, and to invest the monies of the Trust in, insurance company investment contracts, and, in connection therewith, to hold such contracts in trust pursuant hereto and exercise all of the rights and privileges of ownership of such contracts as they deem advisable.

(q) Upon the order of the Company, to invest part of the Accrued Benefit of a Participant in life insurance contracts issued by a legal reserve life insurance company; provided that, at any time, less than the following percentages of the contributions and forfeitures which have been allocated to the Participant's Accrued Benefit shall in the aggregate have been used to purchase and pay premiums on such life insurance contracts: ordinary life contracts - 50%; term, universal and all other life contracts - 25%; both ordinary and other life contracts with respect to a Participant - 25% (taking into account one-half of the ordinary life premiums plus all of the other premiums). The Trustees shall be the owner of each Policy purchased hereunder, and any and all rights provided under the Policy or permitted by the insurance company shall be reserved to the Trustees. Each insurable Participant shall have the right to have a portion of his Accrued Benefit invested in life insurance contracts, within the limits herein stated or imposed by

the Company on all Participants, and any exercise of Policy loan provisions by the Trustees shall be proportionate with respect to each insured Participant. The Trustees shall normally pay premiums on any Policy subject hereto as each premium falls due. Dividends may be used in reduction of any such premium, may be applied in any other manner permitted by the insurance company or may be taken in cash by the Trustees, as they may determine from time to time. Upon the death of a Participant on whose life the Trustees hold a Policy hereunder and if the proceeds shall be payable to the Trustees, the Trustees may collect the proceeds, in which case such proceeds shall be turned over to the Participant's Beneficiary, or the Trustees may assign to such Beneficiary the Policy and all rights thereunder, or the Trustees may direct the insurance company to make payment to such Beneficiary in such manner as may be permitted by the insurance company, as the Company shall direct. When any Participant whose Policy is held hereunder shall reach his retirement date, or if the employment of any such Participant should terminate, or if the Plan should terminate, the Trustees shall dispose of the Policy in order that the provisions of the Plan covering disposition of the Accrued Benefit of the Participant in the happening of any such event may be effected. The Trustees, in such event, shall have the right to (1) surrender the Policy for its cash value, (2) convert the entire value of the Policy into a contract providing periodic income, or (3) distribute the Policy to the Participant. In no case shall any portion of the Participant's Accrued Benefit be used to continue life insurance protection beyond the date of a Participant's retirement.

(r) To perform any and all other acts, take all other proceedings, and exercise all other rights and privileges, although not mentioned herein, in their judgment necessary or appropriate for the proper and advantageous management, administration, investment, and distribution of the Trust, and to carry out the purposes of the Plan.

10.3 Management Authority - Except as otherwise provided in Section 10.2, the powers granted the Trustees thereunder shall be exercised in the discretion of the Trustees; however, the Company may at any time affirmatively direct the Trustees with regard to investment of the Trust, or direct the Trustees to obtain the Company's approval before exercising any of the powers granted the Trustees. Any such direction may be of a continuing nature or otherwise, may be revoked at any time, and shall be complied with as promptly as possible by the Trustees. To the extent not inconsistent with the fiduciary responsibility provisions of the Retirement Security Act, the Trustees shall not be liable for any loss or depreciation in value of the Trust, or any adverse effect upon the exempt status of the Trust under the Internal Revenue Code, resulting from actions taken in accordance with the Company's affirmative direction or from the failure or refusal of the Company to give any required approval, nor shall the Trustees be obliged to review the

assets of the Trust acquired on the direction of the Company. If the Company exercises its discretion under this Section: (i) the Company shall have the power to retain an investment manager as set forth in Section 10.2(o), and its fiduciary liability, as well as that of the Trustees, with respect thereto shall be limited to the extent set forth therein; and (ii) the Company agrees to indemnify the Trustees and hold them harmless from and against any claim or liability which may be asserted against the Trustees by reason of their acting or not acting pursuant to any such direction or failing to act in the absence of any such direction.

10.4 Tenure of Trustees - Any Trustee may resign at any time by giving 30 days' prior written notice to the Company. The Company may remove any Trustee at any time by written notice to such Trustee. The Company may fill any vacancy in the office of Trustee, howsoever caused, or may determine to leave such vacancy unfilled so long as at least one Trustee shall remain; the Company shall also have the right, at any time, to add additional Trustees. Pending the appointment of any successor Trustee and the acceptance of such appointment, the existing Trustee or Trustees shall have full power to take any actions hereunder. Each successor or additional Trustee shall have all the rights and powers, as well as duties and liabilities, vested in the original Trustees without the signing or filing of any further instrument, but any resigning or removed Trustee shall execute all documents and do all acts necessary to transfer possession of and vest title of record to any assets of the Trust in any successor Trustee, or in the remaining Trustee or Trustees. With the approval of the Company, a successor Trustee may accept the accounting rendered pursuant to Section 10.10 and the property delivered to it by a predecessor Trustee as a full and complete discharge of the predecessor Trustee, without incurring any liability or responsibility for so doing.

10.5 Common Investments - Except as otherwise expressly set forth in the Plan, the Trustees shall not be required to make separate investments for individual Participants or to maintain separate investments for each Participant's Accrued Benefit, but may invest contributions and any profits or gains therefrom in common investments.

10.6 Compensation and Expenses of Trustees - The Trustees shall be entitled to such reasonable compensation as shall from time to time be agreed upon by the Company and the Trustees. Such compensation, and all expenses reasonably incurred by the Trustees in carrying out their functions, shall constitute a charge upon the Trust assets unless and until they shall be paid or discharged by the Company; the Company shall be under no obligation to pay such costs and expenses, and in the event of its failure to do so, the Trustees shall be entitled to pay the same, or to reimburse themselves for the payment thereof, from the Trust.

10.7 Immunity and Liability of Trustees - Except to the extent inconsistent with Title I, Subtitle B, Part 4 of the Retirement Security Act:

(a) The Trustees shall be fully protected in acting upon any instrument, certificate or paper believed by them to be genuine and to be signed or presented by the proper person or persons, and the Trustees shall be under no duty to make any investigation or any inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

(b) In the absence of actual knowledge that a direction by the Company is in violation of the terms of the Plan, the Trustees shall not be liable for the proper application of any part of the Trust if payments are made in accordance with the directions of the Company as herein provided, and the Trustees shall not be obliged to inquire as to whether any payee is entitled to any payment or distribution, pursuant to such directions, or as to whether any payment or distribution, pursuant to such directions, is proper or within the terms of the Plan. The Trustees shall not be required to make any investigation to determine the identity or mailing address of any person entitled to benefits under the Plan and shall be entitled to withhold making any payments or deliveries upon instructions from the Company.

(c) The Trustees shall not be responsible for the administration of the Plan or for the adequacy of the Trust to meet and discharge any and all payments and liabilities under the Plan. The Trustees shall be responsible only for such sums as shall actually be received by them as Trustees hereunder, and it shall not be the duty of the Trustees to collect, or to ascertain the correctness of the amount of, any sum receivable or received from the Company.

(d) All persons dealing with the Trustees are released from inquiry as to the decision or authority of the Trustees and from seeing to the application of any property paid or delivered to the Trustees.

(e) No single Trustee shall be personally liable for the acts or omissions of any other single Trustee, and no successor Trustee shall be in any way liable or responsible for anything done or omitted in the administration of the Trust prior to the date he became a Trustee.

(f) In the absence of knowledge to the contrary, the Trustees may assume that the Trust is entitled to exemption from federal and state income taxes.

(g) The Trustees shall act only in accordance with the provisions of Sections 11.5 and 11.6.

(h) The Trustees shall have the right to obtain a judicial settlement of their accounts at any time (the only necessary parties thereto being the Trustees and the Company), and such judicial settlement shall be binding on all parties claiming any interest under the Plan or Trust.

10.8 Vote of Trustees - Whenever any action is required or permitted by the Plan to be taken by the Trustees, such action shall be determined by vote of a majority of the Trustees then acting.

10.9 Financial Records - The Trustees shall maintain records and accounts reflecting all receipts and disbursements made by them under the Plan and showing such other items and information as the Company from time to time may specify. The Trustees' records and accounts shall be open to the inspection of the Company at all reasonable times, and may be audited from time to time by such person or persons as the Company may specify.

10.10 Periodic Accounting - The Trust will be evaluated annually, or more often if requested by the Company, by the Trustees and a written accounting rendered as of each fiscal year end of the Trust, and as of the effective date of any removal or resignation of the Trustees, and such additional dates as requested by the Company, showing the condition of the Trust and all receipts, disbursements and other transactions effected by the Trustees during the period covered by the accounting, and showing the value as of such date of each Participant's Accrued Benefit, based on fair market values prevailing as of such date. Any such accounting shall be due within 90 days after the date thereof; to the extent permitted by law, upon the expiration of 180 days from the filing of such accounting, the Trustees shall be forever released, remised and discharged from all liability and accountability to anyone with respect to the propriety of their accounts and transactions shown in such accounts except with respect to any such accounts or transactions as to which the Company shall within such 180 day period file written exception. All determinations as to the value of the assets of the Trust, and as to the amount of the liabilities thereof, shall be made by the Trustees, whose decision shall be final and conclusive and binding on all parties hereto, the Participants and Beneficiaries and their estates. In making any such determination, the Trustees shall be entitled to seek and rely upon the opinion of or any information furnished by brokers, appraisers and other experts, and the Trustees shall also be entitled to rely upon reports as to sales and quotations, both on security exchanges and otherwise as contained in newspapers and in financial publications.

10.11 Prohibition Against Diversion of Funds - It shall be impossible by operation of the Plan or Trust, by natural termination of either, by power of revocation or amendment, by the happening of any contingency, by collateral arrangement or by other means, for any part of the corpus or income of the Trust, or any funds contributed thereto, to inure to the benefit of the Company or otherwise be used for or diverted to purposes other than providing benefits to Participants and Beneficiaries and defraying reasonable expenses of administering the Plan, except as otherwise provided in Section 6.8(b) or 10.12, and except that:

(a) Except as the Company shall otherwise expressly determine all contributions made by the Company to the Trust are and shall be conditioned on the qualification of the Plan under Section 401 of the Internal Revenue Code and the deductibility of the contributions under Section 404 of the Internal Revenue Code, so that: (i) in the event of a denial of qualification at any date subsequent to the initial qualification of the Plan and/or Trust, the Trustees, within one year of the denial of qualification, shall return to the Company all contributions made after the effective date of the denial (less any Trust losses attributable thereto), but only to the extent that such return does not cause the Accrued Benefit of any Participant to be less than it would have been had the contributions not been made; and (ii) to the extent that the aforesaid deduction is disallowed by the Internal Revenue Service, the Trustees shall return to the Company the disallowed portion of the contribution within one year after disallowance (less any Trust losses attributable thereto), but only to the extent that such return does not cause the Accrued Benefit of any Participant to be less than it would have been had the disallowed amount not been contributed. An unfavorable determination or a disallowance of deduction shall be deemed to have occurred when appeal rights with respect thereto shall have expired or been waived or exhausted.

(b) The amount of any contribution made by the Company by reason of a mistake of fact (less any Trust losses attributable thereto) shall be returned by the Trustees to the Company within one year after the payment of the contribution, but only to the extent that such return does not cause the Accrued Benefit of any Participant to be reduced to less than it would have been had the mistaken amount not been contributed.

(c) The provisions of Section 10.11(a)(i) shall not have any effect unless and until the Internal Revenue Service publishes rulings or regulations to the effect that said provisions will not adversely affect the qualified status of the Plan and Trust pursuant to Section 401(a) of the Internal Revenue Code, in which case said provisions will have effect to the extent permitted under such rulings or regulations.

10.12 Spendthrift Provision - No amount payable under the Plan will, except as otherwise specifically provided by law, be subject in any manner to anticipation, alienation, attachment, garnishment, sale, transfer, assignment (either at law or in equity), levy, execution, pledge, encumbrance, charge or any other legal or equitable process, and any attempt to do so will be void; nor will any benefit be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled thereto. The foregoing shall not preclude, and the Trustees (at the direction of the Company or to the extent necessary to comply with a directive of a court or other governmental agency of competent jurisdiction) shall honor: (i) the enforcement of a federal tax levy made pursuant to Section 6331 of the Internal Revenue Code, (ii) the collection by the United States on a judgment resulting from an unpaid tax assessment, or (iii) the creation, assignment or recognition of a right to any benefit payable with respect to a Participant pursuant to a qualified domestic relations order (as defined in Section 414(p) of the Internal Revenue Code). Further, the foregoing events shall not include any arrangement for: (i) the withholding of taxes from Plan benefit payments, (ii) the recovery by the Plan of overpayments or benefits previously made to a Participant, (iii) the transfer of benefit rights from the Plan to another plan, or (iv) the direct deposit of benefit payments to an account in a banking institution (if not part of an arrangement constituting an assignment or alienation).

Notwithstanding the foregoing, any Participant or Beneficiary may make, and the Trustees shall honor, any arrangement (so long as it is revocable at any time by the Participant or Beneficiary) whereby the Participant or Beneficiary assigns to the Company (i) all or any portion of a presently due benefit payment, or (ii), once the Participant or Beneficiary begins receiving benefits, the right to up to 10% of any future benefit payment. The Company acknowledges to the Administrator that, as to (i), it has no enforceable right in or to any Plan benefit payment or portion thereof under any such arrangement, except to the extent of payments actually received pursuant to the terms of the arrangement.

In the event that any Participant's benefits are garnished or attached by order of any court, the Trustees may bring an action for a declaratory judgment in a court of competent jurisdiction to determine the proper recipient of the benefits to be paid by the Plan. During the pendency of said action, any benefits that become payable shall be paid into the court as they become payable, to be distributed by the court to the recipient it deems proper at the close of said action.

10.13 Commingling with Related Trusts - The Trust may be held by the Trustees in trust in common with the trust funds under any other qualified profit sharing or pension plan of the Company or its subsidiaries or affiliates. In such case, the Trustees shall be under no duty to earmark or keep separate the assets of the Trust, but may commingle them with the assets of the trust funds under the other plans. The Trustees shall, however, maintain a separate accounting reflecting the equitable share of each plan in such assets. The Company may at any time direct the Trustees to segregate and withdraw the equitable share of the Trust in such assets in such manner as may be agreed upon between the Company and the Trustees. The Trustees' valuation of the assets for the purpose of such withdrawal shall be conclusive. The Trustees shall thereafter hold the assets so withdrawn as a separate Trust in accordance with the provisions of the Plan.

10.14 Payment on Behalf of Infant or Incompetent - If any person to whom a benefit is payable hereunder is an infant, or is incompetent by reason of physical or mental disability, the Company or the Trustees shall have the power to cause the payments becoming due to such person to be made to another for his benefit without responsibility of the Company or the Trustees to see to the application of such payments.

10.15 Relationship of Insurers to Trust - In no event shall any insurance company issuing any policy or other contract to the Trustees under the Plan be considered a party to, or be required to examine, the Plan, nor shall it have any obligation to determine whether its actions are proper under, or in accordance with, the provisions of the Plan. Nothing in the Plan shall in any way be construed to enlarge, change, vary or in any way affect the obligations of an insurer as expressly provided in a policy or contract issued by it. No insurer shall be responsible for the failure of the Company or the Trustees to perform their duties as such or for the application or disposition of any money paid or to be paid to the Trust, and such payment shall fully discharge the insurer for the amount so paid.

Neither the Company nor the Trustees shall be responsible: (i) for the validity of any policy or contract issued by an insurer, (ii) for the failure on the part of any insurer to make any payments or provide any benefits thereunder, (iii) for the action or inaction of any person or persons which may render the policy or contract invalid or unenforceable, or (iv) for any restrictions or provisions contained therein or imposed by the insurer or by any other person.

10.16 Loans to Participants - Notwithstanding any other provision in the Plan to the contrary, the Trustees, upon direction of the Company, shall make loans to Participants. Each such loan shall be deemed to be, and shall be accounted for as, a specific investment of the borrowing Participant's Accrued Benefit. Each loan shall be based upon a written application made to the Company by the Participant setting forth the desired loan amount and such other information as may be deemed pertinent by the Company. The Company shall have the final and exclusive right to determine the propriety, amount and terms of any loan to be made.

In addition to such rules and regulations as the Company may from time to time adopt, all loans shall comply with the following terms and conditions:

(a) Except as otherwise permitted by the Company and permitted on a non-distributive basis under the Internal Revenue Code, the amount of any loan, when added to the outstanding balance of all other loans to the Participant from the Plan or any other qualified retirement plan of the Company or any related employer (as defined in Section 414(b), (c) or (m) of the Internal Revenue Code), shall not exceed the lesser of: (i) \$50,000, or (ii) the greater of \$10,000 or 50% of, but not to exceed 75% of, the vested portion of the Participant's Accrued Benefit, valued as of the Participation Date or Special Valuation Date, whichever last occurred, preceding the date on which the loan is approved (adjusted for subsequent contributions and/or distributions).

(b) Loans shall be permitted only for extraordinary or emergency expenditures and shall not exceed the actual amount needed therefor.

(c) The period of repayment for any loan shall be arrived at by mutual agreement between the Company and the Participant, but, except for home loans (as defined in Section 72(p)(2)(B)(ii) of the Internal Revenue Code), shall in no event exceed five years.

(d) Each loan shall be secured by the Participant's promissory note for the amount of the loan, including interest, payable to the order of the Trustees, and, in the sole discretion of the Company, by an assignment (notwithstanding the provisions of Section 10.12) of all or any portion of the Participant's right, title and interest in and to his Accrued Benefit; provided, however, that, in the absence of a Private Letter Ruling or a public position of the Internal Revenue Service to the effect that the qualified status of the Plan will not be adversely affected, the terms of the assignment may not permit the Trustees, prior to the

Participant's death or other termination of employment or the termination of the Plan, to charge the Participant's Accrued Benefit for any amount of principal or interest which may be in default under the terms of the loan. The loan shall also be secured with such other collateral, if any, as the Company, in its sole discretion, may deem necessary to adequately secure the repayment of the loan and interest.

(e) Each loan shall bear interest at a reasonable rate to be fixed by the Company, but not to exceed the maximum rate permitted under all applicable usury laws. The Company shall not discriminate among Participants in the matter of interest rates, but loans granted at different times may bear different interest rates if, in the opinion of the Company, the difference in rates is justified by a change in general economic conditions.

(f) The Company shall provide each loan applicant with a written disclosure statement meeting the requirements of all applicable credit laws.

(g) No distribution shall be made to any Participant or Beneficiary unless and until all unpaid loans made to the Participant, including accrued interest thereon, have been liquidated.

In the event of default the Company will direct the Trustees to take such action as may be necessary to protect the interests of the Trust and best secure maximum repayment of the outstanding debt, but the Trustees shall not be required to act, and shall not be liable for failure to act, in the absence of instructions from the Company. The Participant shall be liable for all costs incurred by the Trustees in connection with the default, including reasonable attorney's fees. In no event shall the fact that a loan is secured by a Participant's interest in his Accrued Benefit be construed as limiting the Participant's personal obligation to repay the loan in full in accordance with its terms.

Notwithstanding any other provisions of this Article X to the contrary, the Trustees shall not have any liability, fiduciary or otherwise, for any loss, or by reason of any breach of fiduciary responsibility, arising from or as a result of a loan to a Participant made, or any action with respect thereto taken, at the direction of the Company.

The Company, at any time and in its sole discretion, may suspend the operation of this Section 10.16; provided, however, that such suspension shall not affect any loan then outstanding. Further, the Company shall have the right from time to time to adopt such rules, limitations and procedures as it may deem appropriate with respect to Participant loans.

END OF ARTICLE X

ARTICLE XI

Administration

11.1 Administrative Authority - Except as otherwise specifically provided herein, the Company shall have the sole responsibility for and the sole control of the operation and administration of the Plan, and shall have the power and authority to take all action and to make all decisions and interpretations which may be necessary or appropriate in order to administer and operate the Plan, including, without limiting the generality of the foregoing, the power, duty and responsibility to: (i) resolve and determine all disputes or questions arising under the Plan, including the power to determine the rights of Employees, Participants and Beneficiaries, and their respective benefits, and to remedy any ambiguities, inconsistencies or omissions; (ii) adopt such rules of procedure and regulations as in its opinion may be necessary for the proper and efficient administration of the Plan and as are consistent with the Plan; (iii) implement the Plan in accordance with its terms and such rules and regulations; (iv) direct the Trustees with respect to the eligibility of any Employee as a Participant and the crediting and distribution of the Trust, which are to be made only upon the basis of instructions from the Company pursuant to the terms of the Plan; and (v) establish and carry out a **funding policy** and method consistent with the objectives of the Plan and the Retirement Security Act, pursuant to which the Company shall determine the Plan's liquidity and financial needs and communicate them to the Trustees (or other fiduciaries who are charged with determining investment policy). Subject to the power to delegate in the manner described in Section 11.2, the Company shall act through its sole proprietor or partners if unincorporated, its Board of Directors if incorporated, or its shareholders if a "close corporation" without Board of Directors.

11.2 Company Administration - The Plan shall be operated and administered on behalf of the Company by an Administrator. The Administrator shall be deemed to be the "Named Fiduciary" for purposes of the Retirement Security Act, and shall be governed by the following:

(a) In the absence of any designation to the contrary pursuant to Section 11.3, and subject to the power to delegate pursuant to this Section, ~~the Administrator shall be the President of Company,~~ or any successor duly appointed by the Company. Except as the Company shall otherwise expressly determine, the Administrator shall have full authority to act for the Company before all persons in any matter directly pertaining to the Plan, including the exercise of any power or discretion otherwise granted to the Company pursuant to the terms of the Plan, other than the power to amend or terminate the Plan, to determine Company contributions, to exercise authority to direct the Trustees pursuant to Section 10.3, to affect the employer-employee relationship between the Company and any Employee, and to retain and/or discharge the Trustees, all of which powers are

reserved to the Company unless expressly granted to the Administrator. Fiduciary duties, powers and responsibilities (other than those reserved to the Trustees, with respect to management or control of Trust assets) may be allocated among the fiduciaries (if there be more than one) to whom such duties, powers and responsibilities have been delegated, so long as such allocation is pursuant to action of the Company or by written agreement executed by the involved fiduciaries and approved by the Company, in which case, except as may be required by the Retirement Security Act, no such fiduciary shall have any liability, with respect to any duties, powers or responsibilities not allocated to him, for the acts or omissions of any other fiduciary. Any person may serve in more than one fiduciary capacity under the Plan, including those of Administrator and Trustee.

(b) The Administrator may appoint any persons or firms, or otherwise act to secure specialized advice or assistance, as it deems necessary or desirable in connection with the administration and operation of the Plan; the Administrator shall be entitled to rely conclusively upon, and shall be fully protected in any action or omission taken by it in good faith reliance upon, the advice or opinion of such firms or persons. **The Administrator shall have the power and authority to delegate from time to time by written instrument all or any part of its duties, powers or responsibilities under the Plan, both ministerial and discretionary, as it deems appropriate, to any person, and in the same manner to revoke any such delegation of duties, powers or responsibilities. Any action of such person in the exercise of such delegated duties, powers or responsibilities shall have the same force and effect for all purposes hereunder as if such action had been taken by the Administrator. Further, the Administrator may authorize one or more persons to execute any certificate or document on behalf of the Administrator, in which event any person notified by the Administrator of such authorization shall be entitled to accept and conclusively rely upon any such certificate or document executed by such person as representing action by the Administrator until such third person shall have been notified of the revocation of such authority. The Administrator shall not be liable for any act or omission of any person to whom the Administrator's duties, powers or responsibilities have been delegated, nor shall any person to whom any duties, powers or responsibilities have been delegated have any liabilities with respect to any duties, powers or responsibilities not delegated to him, except to the extent required by the Retirement Security Act.**

(c) **All representatives of the Company, and/or members of the Retirement Plan Committee if one be appointed, shall use ordinary care and diligence in the performance of their duties pertaining to the Plan, but, except to the extent required by the Retirement Security Act, no such individual shall incur any liability: (i) by virtue of any contract, agreement, bond or other instrument made or executed by him or on his behalf in his official capacity with respect to the Plan, (ii) for any act or failure to act, or any mistake or judgment made, in his official capacity with**

respect to the Plan, unless resulting from his gross negligence or willful misconduct, or (iii) for the neglect, omission or wrongdoing of any other person involved with the Plan. The Company shall indemnify and hold harmless each such individual from the effects and consequences of his acts, omissions and conduct in his official capacity with respect to the Plan, except to the extent that such effects and consequences shall result from his own willful misconduct or gross negligence.

(d) The Plan may purchase, as an expense of the Plan, liability insurance for the Plan and/or for its fiduciaries to cover liability or losses occurring by reason of an act or omission of a fiduciary, providing such insurance contract permits recourse by the insurer against the fiduciary in the case of breach of fiduciary obligation by such fiduciary. Any fiduciary may purchase, from and for his own account, insurance to protect himself in the event of a breach of fiduciary duty and the Company may also purchase insurance to cover the potential liability of one or more persons who serve in a fiduciary capacity with regard to the Plan.

(e) Nothing in the Plan shall be construed so as to prevent any fiduciary from: (i) receiving any benefit to which he may be entitled as a Participant or Beneficiary, or (ii) receiving any reasonable compensation for services rendered, or for the reimbursement of expenses properly incurred in the performance of his duties under the Plan (except that no person so serving who receives compensation as an Employee shall receive compensation from the Plan, except for reimbursement of expenses properly incurred), or (iii) serving as a fiduciary in addition to being an officer, employee, agent, or other representative of the Company or any related entity.

11.3 Retirement Plan Committee - The Company shall have the right to designate and appoint a committee, to be known as the Retirement Plan Committee, as Administrator. Except to the extent that the Company has retained any power or authority, or allocated duties and responsibilities to another administrator or other fiduciary, said Committee shall have full power and authority to administer and operate the Plan in accordance with its terms and in particular the authority contained in this ARTICLE XI, and, in acting pursuant thereto, shall have full power and authority to deal with all persons in any matter directly connected with the Plan, including, but not limited to, the Trustees, other fiduciaries, insurance companies, investment advisors, other advisors and specialists, Participants, Beneficiaries and their representatives, in accordance with the following provisions:

(a) The Committee shall consist of one or more individuals designated by the Company. Subject to his right to resign at any time, each member of the Committee shall serve at the pleasure of the Company, and the Company may appoint, and may revoke the appointment of, additional members to serve with the Committee as may be determined to be necessary or desirable from time to time.

Each member of the Committee, by accepting his appointment to the Committee, shall thereby be deemed to have accepted all of the duties and responsibilities of such appointment, and to have agreed to the faithful performance of his duties thereunder.

(b) The Committee shall adopt such formal organization and method of operation as it shall deem desirable for the conduct of its affairs. The Committee shall act as a body, and the individual members of the Committee shall have no powers and duties as such, except as provided herein; the Committee shall act by vote of a majority of its members at the time in office, either at a meeting or in writing without a meeting.

(c) Except as set forth in Section 11.9, the determination of the Committee on any matter pertaining to the Plan within the powers and discretion granted to it shall be final and conclusive on the Company, the Trustees, all Participants and Beneficiaries and all those persons dealing in any way or capacity with the Plan.

(d) Unless otherwise determined by the Company, the members of the Committee shall serve without compensation for services as such, but all expenses of the Committee shall be paid in accordance with Section 11.8; such expenses shall include any expenses incident to the administration and operation of the Plan and to the functioning of the Committee, including, but not limited to, fees and other compensation to firms or persons retained for advice and assistance pursuant to Section 11.2(b).

(e) The Committee shall have the same powers of appointment and delegation as are set forth in Section 11.2(b).

11.4 Mutual Exclusion of Responsibility - Neither the Trustees nor the Company shall be obliged to inquire into or be responsible for any act or failure to act, or the authority therefor, on the part of the other.

11.5 Uniformity of Discretionary Acts - Whenever in the administration or operation of the Plan discretionary actions by the Company, the Administrator or the Trustees are required or permitted, such action shall be consistently and uniformly applied to all persons similarly situated, and no such action shall be taken which shall discriminate in favor of officers, shareholders or other owners of the Company, or highly-compensated employees.

The sole criterion for determining whether or not, pursuant to any applicable provision of the Plan, the Company exercises its discretion to transfer all or any part of a Participant's Accrued Benefit to a Segregated Account shall be whether the Company determines it to be in the best interests of the Participant to insulate such Accrued Benefit from fluctuations in market value of Trust assets, and the Company shall have no liability by reason of any increase in said market value in which the funds transferred to the Segregated Account do not share.

11.6 Fiduciary Standards - The Administrator, Trustees and all other persons in any fiduciary capacity with respect to the Plan shall discharge their duties with respect to the Plan: (i) solely in the interest of the Participants and Beneficiaries and for the exclusive purposes of providing benefits to Participants and their Beneficiaries and defraying reasonable expenses of administering and operating the Plan, (ii) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, (iii) with respect to fiduciaries charged with management and control over Trust assets, by diversifying the investments of the Trust so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, and (iv) in accordance with the documents and instruments governing the Plan to the extent consistent with the provisions of the Retirement Security Act.

11.7 Litigation - In any action or judicial proceeding affecting the Plan and/or the Trust, it shall be necessary to join as parties only the Trustees and the Company. Except as may be otherwise required by law, no Participant or Beneficiary shall be entitled to any notice or service of process, and any final judgment entered in such action shall be binding on all persons interested in, or claiming under, the Plan.

11.8 Payment of Administration Expenses - Expenses (other than those referred to in Section 10.6) incurred in the administration and operation of the Plan shall be paid by the Trustees out of the Trust unless the Company, in its discretion, elects to pay them.

11.9 Claims Procedure - In the event that any Participant or Beneficiary (hereinafter referred to as the "Claimant") believes that he is entitled to a benefit under the Plan, and such benefit has not been paid or commenced, or if such benefit has been paid or commenced under terms or in an amount with which the Claimant is not in agreement, said Claimant shall have the right to file a written claim with the Company setting forth the reason he believes he is entitled to the benefit, or setting forth the nature of his dispute with the terms or amount of the benefit, as the case may be. Such claim shall be delivered or mailed to the Company (to the attention of the President or such other person as shall have been delegated to receive such claim).

Unless it is determined that the matter is to be resolved in accordance with the wishes of the Claimant as set forth in the claim, the Administrator shall provide the Claimant with a written notice setting forth the specific reason or reasons for the denial, specific reference to pertinent Plan provisions on which the denial is based, a description of any additional material or information necessary for the Claimant to perfect his claim and an

explanation of why such material or information is necessary, and an explanation of the Plan's claim review procedure. If such a notice has not been provided to the Claimant within 90 days after the claim was received by the Company, and the claim has not been granted within such period of time, the claim shall be deemed denied and the Claimant shall be entitled to institute review procedures as hereinafter set forth, except that the 90 day period may in special circumstances be extended to 180 days provided that the Company so notifies the Claimant, before expiration of the initial 90 day period, in a written notice setting forth the reason for the extension and the estimated decision date.

For a period of 60 days following the date on which a Claimant has been provided with a notice of denial as aforesaid, the Claimant may appeal the denial by submitting to the Administrator a written request for a review by the Administrator of the denial. At any time prior to the filing of such an appeal, the Claimant shall have a right to review all pertinent documents (which shall be made available to the Claimant during normal business hours at his place of employment or such other place as may be reasonably designated by the Company). The Claimant shall have the right to submit to the Administrator, at any time during the pendency of the review procedure, any written statement of issues and comments which the Claimant believes it relevant for the Administrator to consider. A decision by the Administrator shall be made promptly, and not later than 60 days after the Administrator's receipt of the request for review, unless special circumstances require an extension of time for processing, and the Administrator so notifies the Claimant in writing prior to the expiration of the initial 60 day period, in which case a decision shall be rendered as soon as possible but not later than 120 days after such receipt of a request for review. The Administrator's decision shall be set forth in writing and delivered to the Claimant and shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based. The Administrator's decision shall be final and binding on the Company, the Claimant, and all other parties claiming any interest under the Plan, and their heirs and assigns.

Any reference herein to the "Claimant" shall be deemed to include any person named by the Claimant as his duly authorized representative, provided that such representative delivers to the Company a written power of attorney or otherwise satisfies the Company that he has been duly authorized to act for the Claimant.

END OF ARTICLE XI

ARTICLE XII

Amendment

12.1 Right to Amend - The Company, by written instrument executed by the Trustees and by the Company, shall have the right to amend the Plan and Trust, at any time, and with respect to any provisions thereof (subject to the provisions of Section 10.11 and the last paragraph of Section 7.4), and all parties thereto or claiming any interest thereunder shall be bound thereby.

12.2 Amendment Required by Federal Law - Notwithstanding the provisions of Section 12.1, the Plan and Trust may be amended at any time, retroactively if required, if found necessary in order to conform to the provisions and requirements of the Internal Revenue Code or the Retirement Security Act, or any similar act or any amendments thereto or regulations promulgated thereunder; no such amendment shall be considered prejudicial to any interest of a Participant or Beneficiary hereunder.

END OF ARTICLE XII

ARTICLE XIII

Termination

13.1 Right to Terminate - It is the present intention of the Company to maintain the Plan throughout the Company's corporate existence. Nevertheless, the Company reserves the right, at any time, to terminate its obligation to make further contributions to the Trust or to terminate the entire Plan.

13.2 Automatic Termination of Contributions - The liability of the Company to make contributions to the Trust shall automatically terminate upon dissolution of the Company, upon its adjudication as a bankrupt or upon the making of a general assignment for the benefit of creditors.

13.3 Successor to Company - In the event of the dissolution, merger, consolidation, sale of all or substantially all the assets, or reorganization of the Company, provision may be made by which the Plan will be continued by the successor employer, in which case such successor shall be substituted for the Company under the Plan. The substitution of the successor shall constitute an assumption of Plan liabilities by the successor and the successor shall have all of the powers, duties and responsibilities of the Company under the Plan. If such action has not been taken within 90 days from the effective date of such transaction, the Plan shall terminate as of the effective date of the transaction, and the provisions of Section 13.4 shall become operative.

13.4 Allocation and Distribution - This Section shall become operative in any of the following events: (a) a complete termination of the Company's liability to make further contributions to the Trust; (b) a complete discontinuance of contributions by the Company to the Trust; or (c) a complete termination of the Plan. Upon the effective date of any such event, then, notwithstanding any other provisions of the Plan, any persons who were not theretofore Participants shall not be eligible to become Participants, and, if such event is a termination of the Plan, all interests of Participants not theretofore vested shall become fully vested. The provisions of this Section shall also become applicable in the event of a partial termination of the Plan, but only with respect to that portion of the Plan attributable to the Participants to whom the termination is applicable. The value of the interests of all Participants and Beneficiaries shall be determined and distributed to them as soon as practicable after such termination, and the Company shall have the same powers to direct the Trustees in making payments as are contained in Section 8.2.

As an alternative to immediate distribution of the Trust, the Company, in its discretion, and subject to its option at any time to require the complete distribution of the Trust to the then Participants, may defer commencement of benefits to each Participant until such Participant reaches his Distribution Date, at which time the Company shall have the same powers to direct the Trustees in making payments as are contained in Section 8.2.

The provisions set forth in this Section shall be subject to such modification, retroactively if required, without necessity of formal amendment to the Plan, as may be necessary in order to cause the termination of the Plan and/or Trust, and any distributions made pursuant thereto, to conform to any requirements which may be imposed by the Internal Revenue Service to prevent disqualification of the Plan and/or Trust or which may be imposed by the Pension Benefit Guaranty Corporation pursuant to the Retirement Security Act, and no such modification shall be deemed prejudicial to the interest of any Participant or Beneficiary.

13.5 Plan Combinations and Transfers - In the case of any merger or consolidation of the Plan with, or transfer of assets or liabilities of the Trust to, any other plan, the transaction shall be structured so that each Participant in the Plan would (if the Plan then terminated) receive a benefit immediately after the transaction which is at least equal to the benefit he would have been entitled to receive immediately before the transaction (if the Plan had then terminated.)

END OF ARTICLE XIII

ARTICLE XIV

Miscellaneous

14.1 Limitations on Liability of Company - Neither the establishment of the Plan or Trust nor any modification thereof, nor the creation of any fund or account, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the Company (or any person connected therewith), the Trustees or any insurance company, except as provided by law, by any Plan provision, or by the terms of any Policy. The Company does not in any way guarantee the Trust from loss or depreciation, nor does the Company guarantee the payment of any money which may be or become due to any person from the Trust. Any person having a right or claim under the Plan shall look solely to the Trust assets, and in no event shall the Company (or any person connected therewith) be liable to any person on account of any claim arising by reason of the provisions of the Plan or of any instrument or instruments implementing its provisions, or for the failure of any Participant, Beneficiary or other person to be entitled to any particular tax consequences with respect to the Plan, the Trust or any contribution thereto or distribution therefrom. The Company shall not be liable to any person for failure on its part to make contributions as provided in Section 5.1, nor shall any action lie to compel the Company to make such contributions. The Company (or any person connected therewith) shall not have any liability to any person by reason of the failure of the Plan to attain and/or maintain qualified status under Section 401(a) of the Internal Revenue Code, or the failure of the Trust to attain and/or maintain tax exempt status under Section 501(a) of the Internal Revenue Code, regardless of whether or not such failure is due to any act or omission (willful, negligent or otherwise) of the Company (or any person connected therewith). The provisions of this Section shall apply only to the extent not inconsistent with the provisions of the Retirement Security Act.

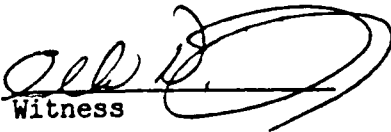
14.2 Construction - The Plan is intended to comply with all requirements for qualification under Section 401(a) of the Internal Revenue Code and, if any provision of the Plan is subject to more than one interpretation or construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with the Plan being so qualified. In case any provision of the Plan shall be held to be illegal or void, such illegality or invalidity shall not affect the remaining provisions of the Plan, but shall be fully severable, and the Plan shall be construed and enforced as if said illegal or invalid provisions had never been inserted herein. For all purposes of the Plan, where the context admits, words in the masculine gender shall include the feminine and neuter genders, the singular shall include the plural, and the plural shall include the singular. Headings of Articles and Sections are inserted only for convenience of reference and are not to be considered in the construction of the Plan. The laws of the United

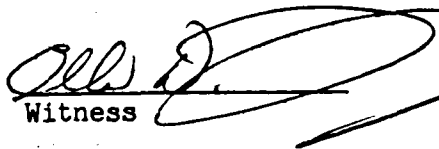
States of America and the State of Maryland shall govern, control and determine all questions arising with respect to the Plan and the interpretation and validity of its respective provisions. If the indefinite continuance of the Plan would be in violation of the law, then the Plan shall continue for the maximum period permitted by law and shall then terminate, whereupon distribution of the Trust shall be made as provided in Section 13.4 hereof. Participation under the Plan will not give any Participant the right to be retained in the service of the Company nor any right or claim to any benefit under the Plan unless such right or claim has specifically accrued hereunder.

END OF ARTICLE XIV

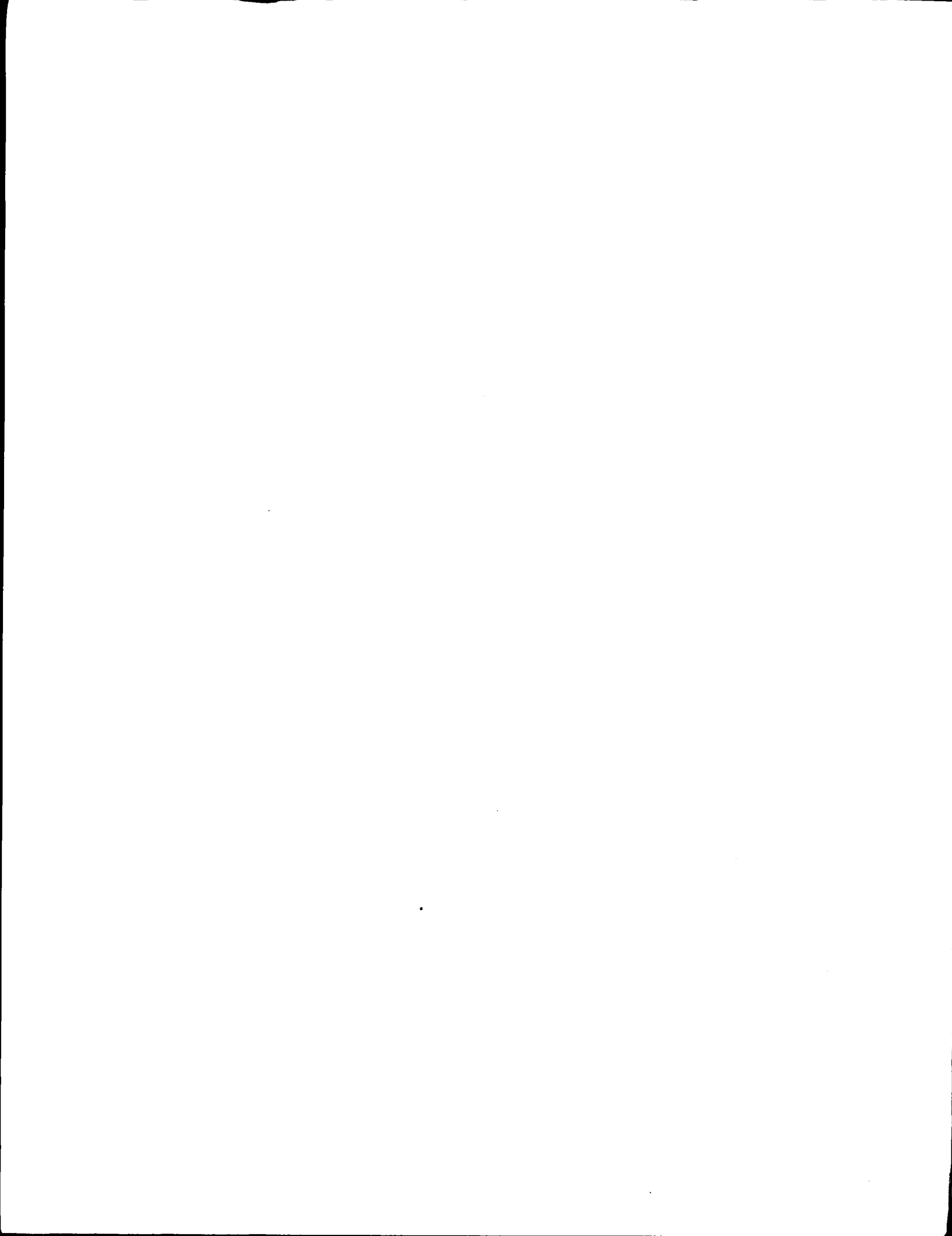
WITNESS the hands and seals of the parties hereto this
15th day of March, 1985.

CATALINA ENTERPRISES, INC.

Witness  By: Richard Shofer (SEAL)

Witness  Richard Shofer (SEAL)
Richard Shofer, Trustee

000105



**DOCUMENTATION RELATING
TO COST OF MONEY
TO RICHARD SHOFR**

**PLAINTIFF'S
EXHIBIT**
NO. 3/10

PERGUS-Bygonne, N. J.

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**It is only proper that all circumstances in this report be considered
when determining the real world cost of money to Richard Shofer
following the discovery of Stuart Hack's indiscretions.**

CONTENTS

1. OVERVIEW
2. CREDIT CORRESPONDENCE
3. UNSOLICITED INVITATIONS
4. CREDIT CARD RATES
5. EXCERPTS FROM DEPOSITION
OF MARYLAND NATIONAL BANK

In June of 1989 Crown Motors was in the midst of completing an enhanced (additional \$500,000) line of credit with Maryland National Bank. Late in the loan completion process income tax liens resulting from Stuart Hack's advice were filed against Richard Shofer by both the IRS and the State of Maryland. Also, in the midst of this loan enhancement process, Stuart Hack (notably, not Shofer) brought a third party suit against the accounting firm of Grabush Newman who were, for more than a dozen years, Crown Motors accountants.

Surprisingly, in response, Grabush abruptly ceased work on critical Crown Motors financial data that was urgently required by Maryland National Bank from Grabush as a prerequisite to completing the on going loan process. Importantly, the work Grabush was then in the midst of finishing, when the accountants arbitrarily halted progress, was work on Crown Motors books - and, again, remarkably, Crown Motors was not even a party in the suit against Hack? Now, additional pressure was being exerted against Shofer by Grabush Newman to give Grabush (anything) they demanded since Grabush Newman was acutely aware that Shofer desperately needed their services in order to complete pending IRS and Labor Department audits. It appears obvious that Grabush was applying extreme pressure on Shofer for his agreement to relinquish any valid claim he might otherwise have against Grabush for their possible negligence in not addressing the (Hack caused) issues sooner. Noteworthy, it is an undisputed fact that Shofer had never even indicated to Grabush or anyone else that he ever intended to sue Grabush. Thus far, Grabush Newman has been evasive regarding any enlightening discussion of this issue.

Maryland National soon had a response of their own. Alarmed at the income tax liens and hold up of needed data, they reversed themselves on making the loan and instead called for Shofer and his other entities to pay off all presently existing loans as quickly as possible. The charts on the following pages, for periods of time surrounding those particular events, illustrate the devastating effects those events had on the subsequent sales activities of Crown Motors.

All available finances necessary to carry on either personal or business activities following those events would be obtainable by Shofer only from credit card companies at high (non deductible) interest rates, otherwise funds were not procurable under any circumstances.

Credit card debt at high credit card rates became a singular source of funds, unavoidably commingled with other income in order to just minimally sustain Shofer's income tax obligations and grocery purchases as well as his business and auto inventory needs.

It is only proper that all circumstances shown in this report be considered when determining the actual cost of money to Shofer following Hack's (advice caused) income tax liens and Hack's subsequent actions (importantly) against Grabush Newman, thereby prompting Grabush's own overwhelming responses to being sued by Hack.

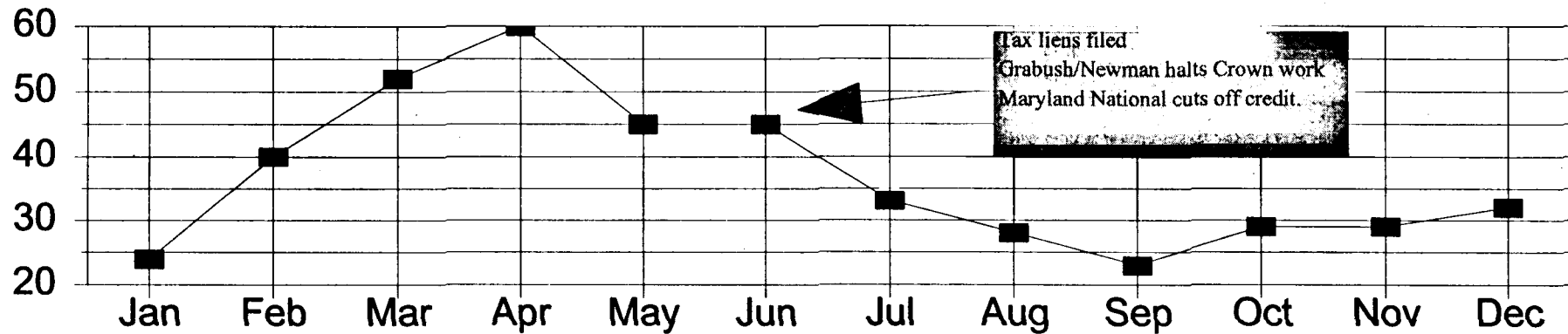
Imagine Mr. Shofer being faced with a number of normal personal and business obligations on a continuing basis during the years following the Maryland National Bank credit line reversal.

Richard Shofer is shown a list of due bills. Does he pay his pressing property taxes, a Maryland National Bank principal/ interest payment, ongoing costs of litigating Hack, his parts suppliers, the Sunpapers, the IRS - or does he buy some inventory at the Wednesday dealer auto auction in Pennsylvania?

If he goes to the auction, some of those due bills will necessarily have to, once again, be put off. But Crown Motors inventory is critically low again. At least some few cars must be purchased in order to just fill minimal inventory needs and also so as not to impede employee moral.

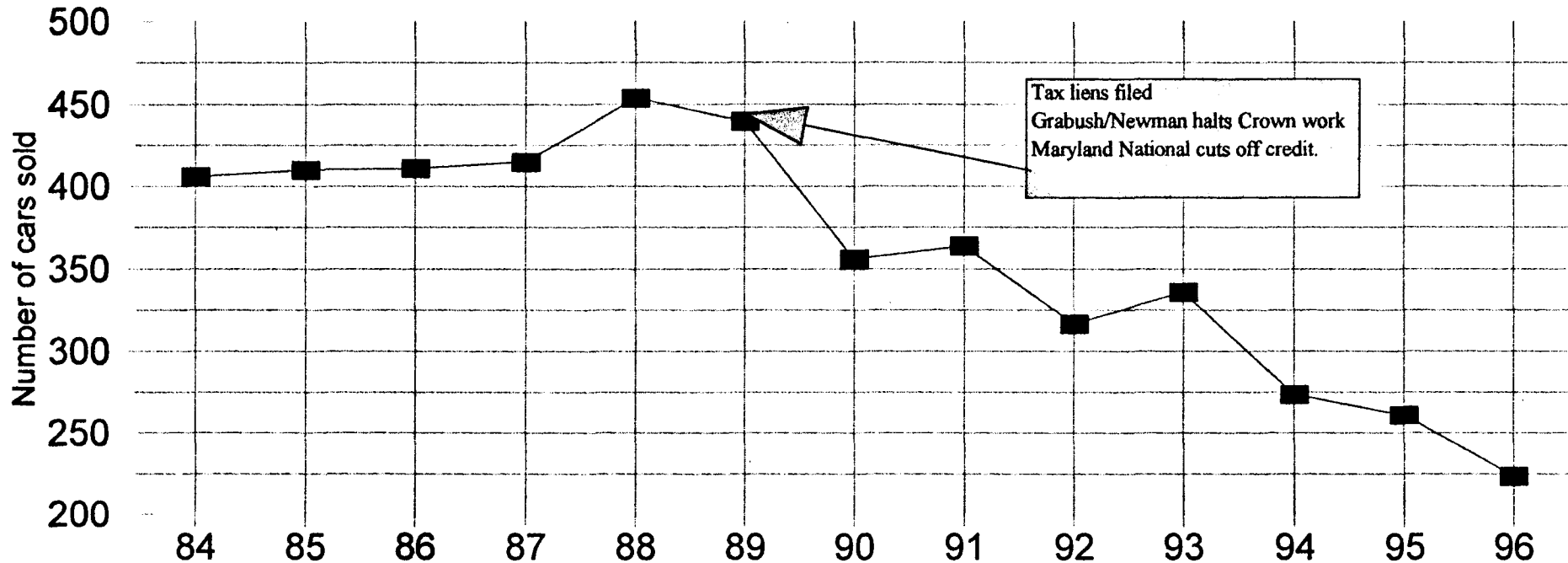
Once again, redemption of property tax auctioned real estate property (at twenty-four percent annual interest rates) must wait. Once again, Richard Shofer asks his wife, Sarah, to scrape anything available from the distressful credit card barrel.

Crown Motors -1989 Monthly Sales



During the first half of 1989 Crown Motors was operating at a record sales pace. It looked like it would be a great year. Then, the Maryland National loan denial struck in June. It was down hill from that point. More than one hundred auto sales were lost during the following six month period alone.

Crown Motors -Sales Per Year 1984-1996

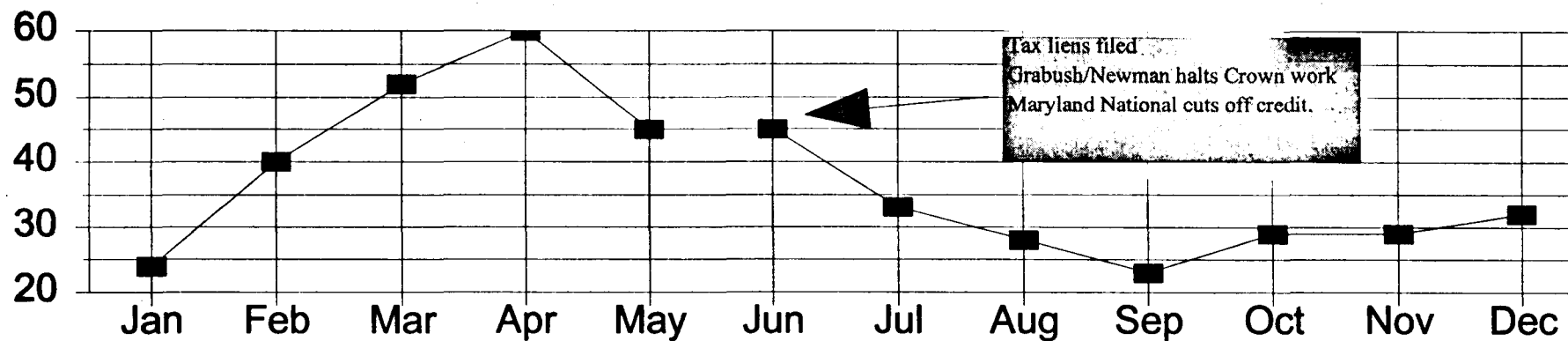


Crown Motors was operating on a continual growth path between 1984 and June 1989. The most conservative of estimates should logically recognize more than a cumulative thousand auto sale directional change since the events mid 1989.

Had the enhanced line of credit been granted by Maryland National, the sales pace would have been dramatic. Under those enhanced credit line circumstances, one might, not unreasonably, assume a cumulative sales differential of two to three thousand vehicles between 1989 and present.

How remarkable was the effect of the loss of the Maryland National credit line on the future value of Crown Motors? How was the future interest rates Shofer would have to pay effected? How much was the book value of the stock owned by Richard Shofer effected? How was Shofer's annual salary effected?

Crown Motors -1989 Monthly Sales



During the first half of 1989 Crown Motors was operating at a record sales pace. It looked like it would be a great year. Then, the Maryland National loan denial struck in June. It was down hill from that point. More than one hundred auto sales were lost during the following six month period alone.

STUART HACKS EFFECT ON R.S. CREDIT

Date	Kind of Inst.	Source	Contact	Response	Reason For Response
06/89	Bank	Maryland National	Dan Hernandez	No	Accounting work held up by Grabush, tax liens
10/89	Bank	Citibank	Lisa Ageson	No	Tax liens
10/89	Bank	MBNA	Form letter	No	Tax liens
11/89	Bank	Rocky Mtn. BankCard	Irene Mezejewski	No	Tax liens
11/89	Bank	Citibank	Beverly Droge	No	Tax liens
02/91	Pvt.		Joseph Ruiz	^ No	Tax liens and survival uncertainties.
02/91	Broker	Norman H. Labovitz	Norman H. Labovitz	^ No	Wasted several weeks with him & his son.
04/91	Bank	Maryland National	Thomas Buckelew	No	Requested warehouse refinance but was refused.
09/91	Bank	Bank of Maryland	Nancy L. Martin	No	Did not meet their lending standards.
11/91	Bank	Tawneytown Bank	Gene Eyler	No	Did not meet their lending standards.
12/91	Bank	Eastern Savings Bank	Rick Kovens	No	Did not meet their standards.
01/92	Bank	Maryland National	Thomas Buckelew	No	Asked for reconsideration but was refused in writing.
02/92	Broker	Congress Financial Services	Jerome Seaman	^ No	Tax liens
03/92	Com	Presidential Fin. Corp. Of Md.	Richard B. Sinclair	^ No	Tax liens
09/94	Bank	First National Bank of Md.	Bart D. Boland	No	Did not meet their standards.
?	Bank	Key Federal	Ross Brown	No	Did not meet their standards
10/94	Broker	Executive Sounding Board, Ltd.	Paul T. Reamer	^ No	Had source of private investors but could not help me.
01/95	Bank	Hopkins Federal Savings Bank	David B. Vannoy	^ No	Tax liens
02/95	Bank	Md. Permanent Bank & Trust	Joseph A. Martin	^ No	Impossible conditions imposed+impossible rate & terms
02/95	Broker	Lamagrín Corp.	William E. Sommers	^ No	(Paid him almost \$4,000 to look for several months)
03/95	Pvt.	Bel Air Auto Auction	Ray Nichols	^ No	Said he would lend at %20%, RS said O.K. They reneged.

06/95	Pvt.	Sunpapers	Harry Pappas	No	No reason given after three long meetings.
06/95	Pvt.	Wash. Post	Patrick Nelson	^	No Much talk - no action
?	Broker	Annapolis	Ralph Bennett	^	No Brought two investors to office- neither panned out
07/95	Bank	Provident Bank of Md.	Ellen S. Grossman	No	Did not meet their standards.
?	Bank	Mercantile Safe Deposit & Tr.	Brian Foley, G. Michaels	No	Did not meet their standards
?	Com	Bay City Finance	Jerry Brewis	^	No Could not work out anything
04/96	Bank	First USA	Computer	No	Credit card overload
09/96	Bank	Signet	Barbara Ruffin	No	Outstanding tax liens.
11/96	Com	GE Capital	Sam Roprogel	No	He broke off communication, no reason given
02/97	Broker	MNC Mortgage	David Groom	^	No First yes - then no?
02/97	Bank	Washington Savings Bank	Terrie K. Smith	No	Did not meet their standards
02/97	Bank	Sterling Bank & Trust	Michael Goldstein	No	Did not meet their standards.
03/97	Bank	Farmer's Bank	Susan Henderson	No	Did not meet their standards.
04/97	Bank	1 st . Mariner Bank	Neal Brownawell	No	Did not meet their standards

This symbol (^) indicates a mutual understanding with a potential lender that R.S. would be paying a high annual interest rate if a loan was granted..

Numerous other credit rejections occurred during this period but were either quick turn downs and undocumented or not recalled at this writing. From time to time, R.S. placed investment opportunity advertisements in the Sunpapers and Washington Post classifieds - but to no avail. A continual shower of unsolicited mail from creditor rights lawyers and credit counselors has resulted from (Hack) liens in public records - the (Hack caused) income tax liens and resulting cash flow problems.

Prior to 1987, R.S. had a million dollar plus credit line at his bank. Income taxes were current R.S. had no high interest credit card debt. After Hack damage surfaced R.S. totally lost his Maryland National relationship. He accrued enormous personal credit card debt. He experienced continual income tax problems including real property almost permanently lost to property tax sale speculators.

Obtaining any business line of credit became a virtual impossibility between 1989 and 1996 because of (Hack caused) income tax liens, (Hack caused) IRS audits and (Hack caused) Labor Dept. audits. Possible plan disqualification frightened potential credit sources away. Because of Hack, the actual survival of R.S's business entities became questionable.

P.O. Box 6058
Falls, SD 57117

RICHARD SHOFER
216 ST DUNSTANS RD
BALTIMORE MD
21212-3409

September 21, 1989
Reference Number: 895937316RS

Dear RICHARD SHOFER,

Thank you for your interest in a Citibank Preferred MasterCard account. Your application has been carefully reviewed, but we regret that we are unable to approve your request.

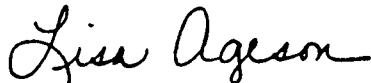
Based upon the information obtained from the credit bureau servicing your area, we are unable to approve your application due to derogatory reference(s) in your credit report. All derogatory reference(s), paid or unpaid, negatively impact your total credit profile.

You may learn the nature and substance of all the information about you contained in the credit reporting agency's file by contacting within thirty (30) days:

C.B.I. CRC Atlanta P.O. Box 95007 Atlanta, GA 30347

After correcting any inaccurate information with the credit agency listed above, you may send us an updated copy of your credit report. We will only re-evaluate your application upon receipt of your updated credit report.

Sincerely,



Lisa Ageson, Manager
New Business

9C

P.O. Box 6057
Sioux Falls, SD 57117

Richard Shofer
216 St. Dunstons Rd.
Baltimore, MD 21212

September 27, 1989
Reference: #

Dear Richard Shofer:

Thank you for your interest in obtaining a Citibank account.

The card for which you have applied cannot be issued in your business name as you requested. However, we do have a Business Card that is issued to businesses for their use. For your convenience, we have enclosed a Business Card application. We invite you to complete it and return it to us.

In the meantime, we are processing your request for a Citibank account and you should hear from us within four weeks.

We apologize for any inconvenience this may have caused you and look forward to having the opportunity to serve you in the future.

Thank you.

Sincerely,

Rich Seater
New Business

Enclosure

N

Federal regulations require us to print the following statement:

The federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning Citibank (South Dakota), N.A. is the Comptroller of the Currency, Consumer Examinations Division, Washington, D.C. 20219.

MBNA

September 27, 1989

CROWN MOTORS
5006 LIBERTY HEIGHTS AVE
BALTIMORE MD 21207

Attn: RICHARD SHAFER

Dear MR SHAFER:

We have reconsidered your application for the MBNA BusinessCard but were unable to approve your request based on information obtained from the following source:

- YOUR APPLICATION
- A REPORT FROM THE FOLLOWING CONSUMER REPORTING AGENCY:
CREDIT BUREAU OF BALTIMORE, INC.
300 CATHEDRAL STREET
BALTIMORE, MARYLAND 21201
(301) 332-4600

FOR FURTHER DETAILS REGARDING YOUR CREDIT FILE THE CONSUMER REPORTING AGENCY SHOULD BE CONTACTED DIRECTLY. THE ABOVE AGENCY IS A MEMBER OF A NATIONAL NETWORK OF CONSUMER REPORTING AGENCIES AND WILL REFER YOU TO THE LOCAL AGENCY IN YOUR IMMEDIATE AREA.

We have indicated below the principal reason(s) for the denial of your credit request:

INSUFFICIENT CREDIT FILE

Should you have any additional information which might assist us in evaluating your creditworthiness, please let us know. We thank you for applying and sincerely hope that Maryland Bank, N.A. may be able to serve you in the future.

Sincerely,

Maryland Bank, N.A.

CORP:CORP3A 1STCLASS:MBCORP TELCORP-MC316-MC316:3

Small Business Group
P.O. Box 6123
Sioux Falls, South Dakota 57177-6123

November 7, 1989

CROWN MOTORS
RICHARD SHOFR
5006 LIBERTY HEIGHTS AVE
BALTIMORE MD
21207-7053

Reference # 4531

Dear Business Card Applicant:

Thank you for your interest in a Citibank Business Card account.

We must decline your request for removal of item(s) of public record in your credit report. All items of public record, paid or unpaid, negatively impact your credit file.

You may learn the nature and substance of all the information about you contained in the credit reporting agency's file by contacting them within thirty (30) days. Be sure to include a copy of this letter with your request. The name and address of the credit reporting agency is:

CREDIT ATLANTA P.O. Box 1207 Atlanta, GA 30347

After correcting any inaccurate information with the credit agency listed above, you may send us an updated copy of your credit report. We will only re-evaluate your application upon receipt of your updated credit report.

Sincerely,



B. Droge
Unit Manager
Credit Extension

62

**Rocky Mountain
BankCard System®**



November 24, 1989

Crown Motors
5006 Liberty Heights Ave.
Baltimore, MD 21207

RE: Merchant Application

Dear Richard Shofer:

Your Visa/MasterCard Depositor Merchant account application has been declined. This decision was based on your personal credit file.

This information was received from the credit bureau or financial institution listed below:

TRW
P.O. Box 779
Columbia, MD 21045

The Fair Credit Reporting Act specifically states the responsibility of the credit bureau is to provide the contents of your credit file with them. Our Credit Department can discuss your credit file with you, and it is recommended that you contact the credit bureau, listed above, for such information.

Should you have any questions regarding fees paid when signing up for the Bankcard Service, please contact the sales representative who submitted your application.

Sincerely,

Irene Mezejewski
Credit Department
Rocky Mountain BankCard System

IM/kp

CATALINA ENTERPRISES, INC.

5000 LIBERTY HEIGHTS AVENUE
BALTIMORE, MARYLAND 21207

RICHARD SHOFR
PRESIDENT

TELEPHONE:
AREA CODE (301) 466-3333

February 22, 1991

Joe & Marti Ruiz
12 Bushwood Road
Baltimore Md. 21234

Dear Joe & Marti,

At your request the other day, I am sending you an outline of an arrangement that my company is going to utilize in the very near future.

It offers an attractive interest rate, flexibility, and fast amortization.

I thought that it would be of interest to you since normally, anything in the entire Wall Street Journal offering a yield of over ten percent has some degree of risk.

But - please do not get involved with this if you have any reservations!

We can always be great friends without money being involved.

I do not want to miss springtime sales opportunities and accordingly, I have offered this to another party two days ago. These other people are not close friends - its just strictly business.

If any part of the enclosed proposal is unclear to you, I will show you the mechanics of how this works. If you would like to review our accounts receivable track record, I will be happy to accommodate you.

Very cordially,

Dick

Dick

In each case the package of security will consist of:

1. A number of auto conditional sales contracts totaling one hundred thousand dollars in gross amount. These installment contracts will be made out to Crown Motors but assigned to the investor with full recourse to Crown in case of default by the auto purchaser making the contract. Each contract held by the investor will also be accompanied by a security interest filing issued by the Maryland Motor Vehicle Dept. Although the security interest fillings will name Crown Motors, which is customary, they will be held by the investor for the term of the investment, which is also customary.
2. The gross balances on "good paper" will always total at least two times the amount due the investor. Good paper will be contracts that are not more than a month past due or accounts that have made a payment in the last sixty days - the same guideline previously used by the bank.
3. In the event the good paper falls below the two/one formula new good paper will be substituted.
4. An investor will automatically receive a computer print out on a regular basis (at least once a month, or to be agreed upon) to substantiate the condition of each account including all pertinent information.
5. After the final repayment has been made to the investor on a particular package, the investor will be obliged to return the package of security being held.
6. From time to time, undoubtedly, an account will either go bad or pay off early. In such a case, the investor will, when requested by Crown, return the security interest as long as the total security still remains at least two/one.

An investor may agree to do a number of individual packages or stop when they choose.

Amortization on each package is quick - either ten or twelve months.

Further, personal guarantees assuring repayment will be given by the principals offering this proposal.

A somewhat more formal agreement will be used to specify the terms and conditions of what has been outlined above.

The yield to the investor will be 15% percent calculated monthly on outstanding principal.

CATALINA ENTERPRISES INC.

Richard Shofer (pres.)

For more than twelve years Catalina Enterprises Inc. (Crown Motors) has had a financing arrangement with Maryland National Bank whereby the bank used Crown's auto accounts receivable as collateral for a line of credit, often up to or exceeding a million dollars.

In recent years Crown has looked to its own Pension Trust for accounts receivable financing, thus eliminating the need for a bank. At this time, the Pension Trust is financing around two million dollars in contracts for Crown.

Presently, Crown Motors desires to expand its sales and financing operations. However, by law, a pension trust is limited in the total percentage of its assets that it can invest in its parent company's receivables. Therefore, Crown's expansion, by necessity, will have to occur outside of the Pension Trust, although the Pension will continue to participate in financing at present levels.

Crown's present opportunity for growth in sales and financing will be achieved by offering an investment opportunity to seek more outside sources along similar arrangements that Crown has had with the Maryland National Bank.

However, different from the bank's longer term commitments for larger amounts, the new arrangement will be structured to offer more flexibility and a faster amortization to an investor.

Here is how it will work -

Crown Motors will put up collateral in the form of accounts receivable in one hundred thousand dollar gross contract amount for each fifty thousand dollars invested.

Lets call it a package.

The investment will be paid back in either ten or twelve monthly installments of interest and principal to yield a fifteen percent return on amount invested.

Example:

\$50,000 investment returned over ten months yields 10 equal payments of \$5,350.15. $\$5,350.15 \times 10 = \$53,501.50$
\$50,00 investment returned over twelve months yields 12 equal payments of \$4,512.92. $\$4,512.92 \times 12 = \$54,155.04$

If desired, however, an alternate form of repayment could be structured to produce an equal number of repayments of principal with reducing interest payments as the principal outstanding reduces.

Each \$50,000 investment will involve a separate package of security.

MORTGAGE BANKER — MORTGAGE BROKER

NORMAN H. LABOVITZ

4005 SEVEN MILE LANE
BALTIMORE, MARYLAND 21208
(301) 484-0505

Date: 3/6/91

CONTRACT TO OBTAIN 1st MORTGAGE LOAN or ^{BUSINESS LOAN} 2nd MORTGAGE LOAN

The undersigned hereby employs Norman H. Labovitz to obtain a mortgage loan in the gross amount of \$ ~~250,000~~ secured by the property described herein, which we warrant is subject only to the liens and encumbrances herin set forth. The interest rate shall not exceed 18%, and it shall be amortized over a period of 5 years, and payments are also to include a proportionate amount for taxes, ground rent and insurance. The PRINCIPAL & INTEREST payment per month is approximately \$ _____.

The following property is offered as security:

Automatic Sales Contract

Simple Interest

Ground Rent: \$ _____; Taxes: \$ _____; Stories: _____; Rooms: _____;
Baths: _____; Heat: _____; Families: _____; Lot Size: _____; Date
Purchase: _____; Purchase Price: \$ _____; Rental: _____; First Mortgage Held
by: _____; Orig. Amt.: \$ _____; Bal.: \$ _____; Second Mortgage Held by: _____; Orig.
Amt.: \$ _____; Bal.: \$ _____;
Any Other Mortgages: _____;
Open Judgments or Other Liens: _____;
Fixtures On Which There Is An Unpaid Balance: _____;
Address Of Applicants: _____;
Home Telephone _____ Business Telephone _____

Any other relevant information or condition: _____

~~Undersigned agrees to pay all usual appraisal fees, attorneys fees for examination of title and settlement, service charge, investigatory fees, documentary stamps and recording fees, customarily involved in mortgage loans.~~

Undersigned agrees to pay to Norman H. Labovitz, a fee or commission at the closing or settlement of the mortgage loan by a lender willing to make a loan on the conditions herin set forth, and based upon the information herein set forth. Said commission shall also be due if Norman H. Labovitz finds a lender willing to make loan upon any other terms which undersigned ^{has} agree upon. The amount of the commission shall be \$ 2,000 or 2 % of the loan (whichever is higher).

The above Agreement and attached Schedules are a true, complete, and correct representation as of the date hereof. This Agreement fully summarizes our agreement and no verbal inducements of any kind or representations, not contained herin, shall be part of same. This Agreement covers the complete understanding between us.

I ACKNOWLEDGE RECEIPT OF A COPY OF THIS CONTRACT.

CROW W MOTORS 44: [Signature]

PLEASE ENDORSE HERE

This check is to be used
only after funds are
dispensed to Crown Motors
by a lender brought to Crown
by Norman Labovitz

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTION USE

BY ENDORSING THIS CHECK IS ACCEPTED IN FULL PAYMENT OF THE FOLLOWING ACCOUNT(S)

DATE	AMOUNT

TOTAL OF INVOICES _____
 LESS % DISCOUNT _____
 LESS _____
 TOTAL DEDUCTIONS AMOUNT OF CHECK _____



MARYLAN
BALTIMORE, MARI

NONAL BANK

50K
CROWN MOTORS
CITY HEIGHTS AVENUE
MORÉ, MD 21207

PAY TO THE
ORDER OF

Fifteen hu

Norman Labovitz

d-----

00/100

19 91

\$ 1500.00

DOLLARS

7-16 0571
520

40216

⑆040216⑆ ⑆052000168⑆ 0008216483⑆

[Handwritten signature]



MARYLAND NATIONAL BANK

P.O. Box 987
Baltimore, Maryland 21203-0987

Mailstop 250504
(301) 547-4739

April 8, 1991

Mr. Richard Shofer
President
Catalina Enterprises, Inc.
5000 Liberty Heights Avenue
Baltimore, Maryland 21207

Dear Dick:

I wanted to confirm my telephone conversation with you which occurred in mid-March. You advised me that you are aware of the upcoming 9/30/91 maturity on the Catalina Pension Trust Loan with Maryland National. You informed me that you intend to refinance this obligation and asked if Maryland National is interested in considering such a refinance. I responded that we are not and encouraged you to pursue other sources of funding for this refinance.

We also discussed your plans for retiring your personal and corporate loans with MNB. You told me that you are preparing to sell two (2) residential lots on Park Heights Avenue in Baltimore County which you expect to generate approximately the amount necessary to pay off both of the aforementioned debts.

Please keep me up to date on your progress as to both of the above efforts. As we also discussed, the Bank needs copies of your various income tax returns for 1990 as soon as these are available. Furthermore, I would appreciate your completing an updated personal financial statement as soon as possible and a blank is enclosed for this purpose.

I look forward to hearing from you as you move toward satisfaction of your MNB loans.

Sincerely,

Thomas A. Buckelew
Vice President

Enclosure

TAB/jld:cata0408.ltr



Bank of Maryland
Baltimore Banking Center

September 5, 1991

Richard Shofer, President
Catalina Enterprises, Inc.
5000 Liberty Heights Avenue
Baltimore, Maryland 21207

Dear Mr. Shofer:

Pursuant to your request for refinancing of commercial mortgages on 6301 Quad Avenue and 710-720 Debilius Avenue, I regret to inform you that Bank of Maryland is unable to extend you the requested credit at this time.

Given current market conditions, the Bank's appetite for commercial real estate transactions is generally limited to certain owner-occupied buildings where we are satisfied with and can monitor the quality of the operating company tenant.

I have had some success recently in referring this type of request to real estate loan brokers. One such broker is Thomas Carson, Senior Vice President with Banking Services Corp. You can reach Tom at 523-7400.

I am enclosing herewith your appraisal and copies of financial statements for Catalina. Please phone me if I may be of further assistance.

Very truly yours,

Nancy L. Martin
Vice President

NLM:ttl
Enclosures

109 East Redwood Street
Baltimore, MD 21202
Phone 301/962-5524
FAX # 301/727-8286

CATALINA ENTERPRISES, INC.

5000 LIBERTY HEIGHTS AVENUE
BALTIMORE, MARYLAND 21207

RICHARD SHOFER
PRESIDENT

TELEPHONE:
AREA CODE (301) 466-3333

January 2, 1992

Mr. Thomas A. Buckelew
100 S. Charles Street
MS 250504
Baltimore, Maryland 21201

Dear Mr. Buckelew,

Our first attempt to refinance the pension warehouse properties was with the Bank of Maryland through their representative, Nancy Martin. They said they had no time to consider at this time.

Our next attempt was with Mr. George Miller of the Tawneytown Bank & Trust at the suggestion of our attorney who had recently worked with them on a commercial mortgage. Mr. Miller's response was that these properties were too far afield to consider at this time.

We are now actively working with a mortgage brokerage company called Congress Finance. Mr. Jerry [redacted] is a former high school wrestling coach that he is making a genuine effort on our behalf.

Additionally, we recently have sent material to Eastern Savings Bank.

We will, of course, properly continue to amortize the present mortgage in the meantime.

Yours very truly,


Richard Shofer

RS/mrm
Enclosures



Over 30 Years Of Financing Experience
115 SUDBROOK LANE, SUITE 202
PIKESVILLE, MARYLAND 21208
HUD APPROVED LENDER

ELLEN SEAMAN GLASSER - PRESIDENT
AMY SEAMAN - VICE PRESIDENT
JEROME SEAMAN - BRANCH MANAGER

February 7, 1992

Richard Shofer
5006 Liberty Heights Avenue
Baltimore, Md. 21207

RE: 6301 Quad Avenue
718-720 Debelius Avenue
Baltimore, Md. 21205

Dear Mr. Shofer:

We are working on your application for mortgage on the above captioned properties. I will be away until February 21, 1992 and hope to hear something when I return.

Best Wishes,

Jerome Seaman
Jerome Seaman
Branch Manager *hm*

JS:dym
c file



*Presidential Financial Corporation
of Maryland
accounts receivable financing*

(410) 290-5917
FAX: (410) 290-3292

March 2, 1992

Richard Shofer
President
Crown Motors
5006 Liberty Heights Ave.
Baltimore, MD 21207

644-6600

Dear Dick:

Meeting with you and discussing your business during Paul Goldsteins visit to Baltimore on Thursday wish we had been able to spend a meeting with us at the Bank C

Presidential is interest our financing requirements and I hope we will be able to put something together to help you at this important time for your business.

I look forward to speaking with you soon.

Sincerely,

Richard B. Sinclair
Senior Vice President

CROWN MOTORS

WE'RE NICE TO DEAL WITH



March 16, 1992

5000 LIBERTY HEIGHTS AVENUE
BALTIMORE, MARYLAND 21207

Mr. Richard B. Sinclair
Presidential Financial Corp. of Md.
10015 Old Columbia Road
Suite B - 215
Columbia, Maryland 21046


Dear Richard,

Brief as they have been
with the sincere and dis
out a mutually rewarding relationship

I was naturally disappointed, and with understanding to learn that
income tax liens recorded against me personally, and at least until
resolved, will prevent you from doing business with my company,
Crown Motors. It seems reasonable, as you explained, that the
strength of my personal guarantee, necessary to my company, will be substantially diminished.

Was there any other problem standing in the way, or not? You
be kind enough to let me know?
Crown Motors,

Yours very truly,


Richard Shofer
RS/mm

executive sounding board, ltd.

consultants in corporate development since 1978

October 7, 1994

Mr. Dick Shofer
216 St. Dunstons Road
Baltimore, MD 21212

Dear Mr. Shofer:

You advised that you or an affiliated company or affiliated group would be willing to protect us for a fee contingent upon your divestiture, acquisition of, formation of an employee stock ownership plan, or merger with, loan to, or investment in a company or its assets after our introduction.

In the event that such a transaction is finally and fully consummated with someone whom we have referred to you, either directly or through another intermediary, we shall be entitled to compensation for such services in an amount equal to the following percentages of the consideration for such transaction, calculated as follows:

10% of any part of the first \$500,000; plus
5% from \$500,001 to \$2,000,000; plus
4% from \$2,000,001 to \$4,000,000; plus
3% from \$4,000,001 to \$6,000,000; plus
2% from \$6,000,001 to \$8,000,000; plus
1% of the amount in excess of \$8,000,000....

The fee shall be payable in full at time of closing; except those parts of the fee related to the contingent portions of earnouts and royalties shall be paid at the times the contingent portions of earnouts and royalties become due to be paid.

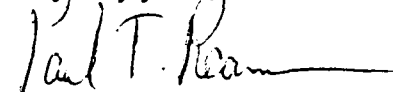
The total consideration of the transaction shall include but not be limited to: cash, stock, notes or any other securities, assets or items of value transferred in connection with the transaction (including amounts paid or payable directly to lenders or creditors); debt assumed or acquired (in a stock or asset acquisition); the value of employment or consulting arrangements, non-competition agreements and other related arrangements; and earnouts, royalties and performance related or contingent payments. (The value for stock shall be based upon market value at the closing date.) If our earned fee is not paid at closing, you agree to reimburse us for any expenses we incur, including attorney's fees, in the collection of our fee.

Neither your failure nor refusal to consummate such a transaction will entitle us to compensation or to damages. You will not be charged with or liable for our expenses except those expenses that you authorize us to spend in your behalf. You agree to reimburse Executive Sounding Board for such authorized expenses promptly following our incurring such authorized expenses. We understand that we have no right nor authority to assume any obligation on your behalf.

It is understood and agreed that this agreement will continue until terminated by either party. Upon termination, there will be no further obligation to us except in regard to contacts made prior to that time.

If the foregoing correctly sets forth our mutual understanding, please indicate your acceptance and agreement herewith, by signing the enclosed copy at the bottom where indicated and returning it to us, whereupon it shall become a binding agreement between us.

Very truly yours,



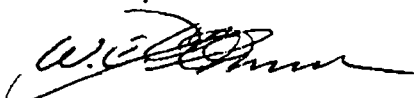
Paul T. Reamer
President
PTR:jg
Enclosure

ACCEPTED AND AGREED TO: _____ DATE: _____



LAMAGRIN CORPORATION**P.O. BOX 169
BUTLER, MD 21023****VOICE / 410-239-3223 FAX / 410-239-8629 PAGER / 410-307-0993****DATE 5/13/97****TO: CROWN MOTORS / RICHARD SHOFER****FROM: W. E. SOMMERS****SUBJECT: CONSULTING SERVICES 1994 - 1995**

AT YOUR REQUEST, I AM WRITING TO YOU REGARDING THE CONSULTING SERVICES PROVIDED TO YOU AND/OR CROWN MOTORS DURING A PERIOD COVERING 1994 - 1995. THE PRIMARY OBJECTIVE WAS TO IDENTIFY POTENTIAL CAPITAL SOURCES BOTH PUBLIC AND PRIVATE. THE INITIAL CONSULTING HOURS WERE USED TO ACHIEVE A BROADER COMPREHENSION OF YOUR VARIOUS BUSINESS ACTIVITIES. MANY PRESENTATIONS, BOTH FORMAL AND INFORMAL WERE MADE FOR SHORT TERM, LONG TERM, DEBT AND EQUITY CAPITAL. CONTACTS WERE MADE BY TELEPHONE AND DIRECT MEETINGS (SOME OF WHICH YOU WERE IN ATTENDANCE) WITH BANKS, FINANCE COMPANIES, VENTURE CAPITALISTS AND INDIVIDUALS. WE EXPLORED POSSIBILITIES FOR ANY TYPE OR STRUCTURE OF POTENTIAL FINANCING. AS YOU ARE AWARE, ALL OF THESE EFFORTS WERE NEGATED BY YOUR THEN EXISTING FINANCIAL CONDITION AND OUTSTANDING TAX LIENS WHICH WERE VIEWED BY POTENTIAL LENDERS AS EXCESSIVE RISK. THE END RESULT WAS THAT WE WERE UNABLE TO LOCATE ANY INVESTORS OR LENDERS DURING THE PERIOD MY SERVICES WERE PROVIDED TO YOU. I TRUST THESE COMMENTS ARE ADEQUATE.

SINCERELY,**W. E. SOMMERS**

WILLIAM E. SOMMERS
BOX 169 BUTLER, MD 21023-0169
FAX -410-239-8629 VOICE-410-239-3223 VOICE MAIL- 410-716-4822

TRANSMITTING FAX - SHARP UX172 OR INTEL 144E

DATE: 10/18/94 TIME: 1620 HARD COPY BY MAIL: NO
TO: RICHARD SHOFER COMPANY: CROWN MOTORS
FAX NO. 410-466-9442 PAGES WITH COVER PAGE: ONE (1)

STATEMENTS NORMALLY SHOULD CONTAIN MINIMALLY THE BALANCE SHEET, PROFIT & LOSS STATEMENT, RECONCILIATION OF NET WORTH, STATEMENT OF CASH FLOWS AND NOTES, AND THE MOST RECENT INTERNALLY PREPARED BALANCE SHEET AND PROFIT & LOSS STATEMENTS, PRO-FORMA P&L STATEMENTS ALONG WITH AGED ACCOUNTS RECEIVABLE LISTING ANY CUSTOMER, INDUSTRY OR GEOGRAPHIC CONCENTRATIONS. A BRIEF COMMENTARY ON THE COMPANY AND MANAGEMENT'S EXPERTISE AND EXPERIENCE ALONG WITH ANY APPROPRIATE COMMENTARY REGARDING BUSINESS PLANS.

AFTER THIS INFORMATION IS PRESENTED TO A LENDER, THEY WOULD THEN UNDERTAKE A PRELIMINARY REVIEW OF THE SOURCES OF CASH FLOW TO SERVICE THE PROPOSED DEBT BASED ON THE ABOVE INFORMATION, THEN COMPLETE THEIR DUE DILIGENCE REGARDING MANAGEMENT, BUSINESS AND INDUSTRY RISKS OF THE BORROWER AND ALL GUARANTORS, AND EVALUATION OF ALL COLLATERAL. ALSO, IF REAL ESTATE IS USED TO SECURE OR PARTIALLY SECURE THE LOAN, FEDERAL REGULATIONS GOVERNING MORTGAGE LENDING REQUIRE A NEW OUTSIDE APPRAISAL AND ENVIRONMENTAL SURVEY OF THE REAL PROPERTY SECURING THE PROPOSED LOAN.

AS A POINT OF INTEREST, THE LOAN COULD BE STRUCTURED BY SECURING THE LOAN WITH THE GUARANTOR'S REAL PROPERTY SO TO BE ABLE TO USE AN INDEMNITY DEED OF TRUST, WHICH WOULD AVOID ALMOST ALL RECORDATION COSTS. EVEN SO, THE APPRAISAL, ENVIRONMENTAL SURVEY, AND LOAN AND LEGAL FEES WOULD REPRESENT ADDITIONAL COSTS.

FROM OUR CONVERSATIONS TO DATE, IT APPEARS THAT AN ACCOUNTS RECEIVABLE OR FACTORED LOAN MIGHT BE THE BEST VEHICLE. A REASONABLE ADVANCE AGAINST QUALIFYING RECEIVABLES WITH FULL RECOURSE AND PERSONAL GUARANTEES THROUGH A CONVENTIONAL LENDER (COMMERCIAL BANK, FINANCE COMPANY, ETC.) OR PRIVATE LENDER. AN INVESTOR MAY BE A POSSIBILITY AS WOULD A PURCHASER.

REGARDS,

CONFIDENTIALITY NOTICE

IF ANY PROBLEMS OCCUR WITH THIS TRANSMISSION, OR IF IT IS DELIVERED IN ERROR, PLEASE NOTIFY THE SENDER AT THE NUMBER LISTED ABOVE. REVIEW OF A CONFIDENTIAL FACSIMILE BY ANY PERSON OTHER THAN THE INTENDED RECIPIENT(S) MAY BE PROHIBITED BY LAW.

LAMAGRIN CORP.

P.O. Box 169

Butler, MD 21023

Voice / 410-239-3223

Fax / 410-239-8629

Voice Mail 410-716-4822

Date 12/22/94

To: Crown Motors / Richard Shofer

From: William E. Sommers

Subject: Consulting Services w/o 12/15/95 to 12/22/94

Hours Detail -	12/15/95 - 2.0	at \$ 30.00 rate	\$ 60.00
	12/20/95 - 10.0	at \$ 30.00 rate	300.00
	12/21/95 - 6.5	at \$ 30.00 rate	195.00
	12/22/94 - 4.0	at \$ 30.00 rate	120.00

TOTAL HOURS \$ 675.00

O.O.P. none

Misc none

TOTAL - \$ 675.00

*Bill
53650
12 27-94*

Please make checks payable to LAMAGRIN CORP. / FEIN 52-1283723

We appreciate your business and the opportunity to serve you.

✓

LAMAGRIN CORP.

P.O. Box 169
Butler, MD 21023

Voice / 410-239-3223 Fax / 410-239-8629 Voice Mail 410-716-4822

Date 1/5/95

To: Shofer

From: William E. Somme

Subject: Consulting Services w/o 12/23/94 to 1/5/95

Hours Detail -	12/23/94	4.0	at \$ 30.00 rate	\$ 120.00
	12/27/94	2.0	at \$ 30.00 rate	60.00
	12/30/94	3.0	at \$ 30.00 rate	90.00
	1/3/95	4.5	at \$ 30.00 rate	135.00
	1/4/95	2.0	at \$ 30.00 rate	60.00
	1/5/95	1.0	at \$ 30.00 rate	30.00

Handwritten: 53721

Misc none

TOTAL - \$ 495.00

Please make checks payable to LAMAGRIN CORP. / FEIN 52-1283723

We appreciate your business and the opportunity to serve you.

LAMAGRIN CORPORATION P.O. Box 169 Butler, MD 21023

v

LAMAGRIN CORP.

P.O. Box 169

Butler, MD 21023

Voice / 410-239-3223 Fax / 410-239-8629 Pager / 410-307-0993

Date 1/13/95

To: Crown Motors / Richard Shofer

From: William E. Sommers

Subject: s/w/o 1/6 5

Hours Detail -	Rate	Amount
1/10/95	at \$ 30.00 rate	60.00
1/11/95	at \$ 30.00 rate	75.00
1/12/95	at \$ 30.00 rate	75.00
1/13/95	at \$ 30.00 rate	60.00

TOTAL HOURS \$ 555.00

none

TOTAL - \$ 555.00

Please make checks payable to LAMAGRIN CORP. / FEIN 52-1283723

We appreciate your business and the opportunity to serve you.

LAMAGRIN CORPORATION P.O. Box 169 Butler, MD 21023

Handwritten: \$ 555.00
1-13-95

v

LAMAGRIN, CORP.

P.O. Box 169
Butler, MD 21023

Voice / 410-239-3223 Fax / 410-239-8629 Pager / 410-307-0993

Date 1/20/95

To: Crown Motors / Richard Shofer

From: William E. Sommers

Subject: Consulting Services w/o 1/13/96 to 1/20/95

Hours Detail -	1/13/95	4.5	at \$ 30.00 rate	\$ 135.00
	1/16/95	2.0	at \$ 30.00 rate	60.00
	1/17/95	5.5	at \$ 30.00 rate	165.00
	1/18/95	6.0	at \$ 30.00 rate	180.00
	1/19/95	4.0	at \$ 30.00 rate	120.00

TOTAL HOURS \$ 660.00

O.O.P. none

Misc none

TOTAL - \$ 660.00

Handwritten:
\$ 538.32
1/19/95

Please make checks payable to LAMAGRIN CORP. / FEIN 52-1283723

We appreciate your business and the opportunity to serve you.

LAMAGRIN CORPORATION P.O. Box 169 Butler, MD 21023

v

LAMAGRIN, CORP.

P.O. Box 169
Butler, MD 21023

Voice / 410-239-3223 Fax / 410-239-8629 Pager / 410-307-0993

Date 1/27/95

To: Crown Motors / Richard Shofer

From: William E. Sommers

Subject: Consulting Services w/o 1/20/96 to 1/27/95

Hours Detail -	1/20/95	3.5	at \$ 30.00 rate	\$ 105.00
	1/21/95	2.0	at \$ 30.00 rate	60.00
	1/23/95	8.5	at \$ 30.00 rate	255.00
	1/24/95	5.5	at \$ 30.00 rate	165.00
	1/25/95	2.0	at \$ 30.00 rate	60.00
	1/26/95	2.0	at \$ 30.00 rate	60.00

TOTAL HOURS \$ 705.00

O.O.P. none

Misc none

TOTAL - \$ 705.00

Please make checks payable to LAMAGRIN CORP. / FEIN 52-1283723

We appreciate your business and the opportunity to serve you.

fd
1-27-95
53585

LAMAGRIN, CORP.

P.O. Box 169
Butler, MD 21023

Voice / 410-239-3223 Fax / 410-239-8629 Pager / 410-307-0993

Date 2/3/95

To: Crown Motors / Richard Shofer

From: William E. Sommers

Subject: Consulting Services w/o 1/27/95 to 2/3/95

Hours Detail -	1/27/95	4.5	at \$ 30.00 rate	\$ 135.00
	1/30/95	9.0	at \$ 30.00 rate	270.00
	1/31/95	5.5	at \$ 30.00 rate	165.00
	2/1/95	3.0	at \$ 30.00 rate	90.00
	2/2/95	4.0	at \$ 30.00 rate	120.00

PK
539.30
82.95

TOTAL HOURS \$ 780.00

O.O.P. 9.00 Parking

Misc none

TOTAL - \$ 789.00

Please make checks payable to LAMAGRIN CORP. / FEIN 52-1283723

We appreciate your business and the opportunity to serve you.

LAMAGRIN CORPORATION P.O. Box 169 Butler, MD 21023

✓

*PAID
P/B
2-9-95*

LAMAGRIN, CORP.

P.O. Box 169
Butler, MD 21023

Voice / 410-239-3223 Fax / 410-239-8629 Pager / 410-307-0993

Date 2/9/95

To: Crown Motors / Rich Shofer

From: William E. Sommers

Subject: Consulting Services 2/3/95 to 2/10/95

Hours Detail -	2/3/95	4.0	at \$ 30.00 rate	\$ 120.00
	2/6/95	5.0	at \$ 30.00 rate	150.00
	2/7/95	3.0	at \$ 30.00 rate	90.00
	2/8/95	2.0	at \$ 30.00 rate	60.00
	2/9/95	2.0	at \$ 30.00 rate	60.00

TOTAL HOURS \$ 480.00

O.O.P.

Misc none

TOTAL - \$ 480.00

Please make checks payable to LAMAGRIN CORP. / FEIN 52-1283723

We appreciate your business and the opportunity to serve you.

LAMAGRIN CORPORATION P.O. Box 169 Butler, MD 21023

v

LAMAGRIN, CORP.

P.O. Box 169
Butler, MD 21023

Voice / 410-239-3223 Fax / 410-239-8629 Pager / 410-307-0993

Date 2/23/95

To: Crown Motors / Richard Shofer

From: AME Motors

Subject: ... es 2/10/96 to ...

File Detail -

*bk
54114
3/23/95*

	2/10/95	0.3	at \$ 30.00 rate	\$ 10.00
	2/14/95	0.5	at \$ 30.00 rate	\$ 15.00
	2/16/95	0.3	at \$ 30.00 rate	\$ 10.00
	2/17/95	0.3	at \$ 30.00 rate	\$ 10.00
	2/23/95	2.0	at \$ 30.00 rate	\$ 60.00
	TOTAL HOURS	3.4	at \$ 30.00 rate	\$105.00
			O.O.P.	none
			Misc	none
			T	\$105.00

Please make checks payable to LAMAGRIN CORP. / FEIN 52-1283723

We appreciate your business and the opportunity to serve you.

LAMAGRIN CORPORATION P.O. Box 169 Butler, MD 21023

✓

LAMAGRIN, CORP.

P.O. Box 169
Butler, MD 21023

Voice / 410-239-3223 Fax / 410-239-8629 Pager / 410-307-0993

Date 2/23/95

To: Crown Motors / Richard Shofer
From: William E. Sommers
Subject: Consulting Services 2/10/95 to 2/23/95

Hours Detail -

*WES
54114
2/23/95*

2/10/95	0.3	at \$ 30.00 rate	\$ 10.00
2/14/95	0.5	at \$ 30.00 rate	\$ 15.00
2/16/95	0.3	at \$ 30.00 rate	\$ 10.00
2/17/95	0.3	at \$ 30.00 rate	\$ 10.00
2/23/95	2.0	at \$ 30.00 rate	\$ 60.00
TOTAL HOURS	3.4	at \$ 30.00 rate	\$105.00
		O.O.P.	none
		Misc	none
		TOTAL -	\$105.00

Please make checks payable to LAMAGRIN CORP. / FEIN 52-1283723

We appreciate your business and the opportunity to serve you.

LAMAGRIN CORPORATION P.O. Box 169 Butler, MD 21023



July 27, 1995

Richard O. Shofer
President
Crown Motors
5006 Liberty Heights Avenue
Baltimore, Maryland 21207

Dear Dick:

Thank you for spending time with Scott Guthrie and me recently to discuss your plans for Crown Motors. We did review the retail contract as well as the financial information you provided to us. Unfortunately, we cannot meet your credit needs at this time. This decision is based upon the collateral offered and the tax litigation situation.

Commercial banks, by the nature of our funding sources, are conservative lenders. I hope you are able to secure financing and wish you the best with your plans to expand your business.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ellen S. Grossman".

Ellen S. Grossman

576-2889

610-288-2111

April 23, 1996

Richard Shofer
216 ~~Point~~ Dunstons Rd
Baltimore MD 21212-3409

FIRST USA
Post Office Box 8734
Wilmington DE 19899-8734

CA104

Ref:960422018862

Dear Richard Shofer :

Thank you for your recent application for a credit card account with First USA Bank. Regretfully, we were unable to approve your request at this time for the following principal reason(s):

Number Of Accounts With 90+ Day Ratings
Of Available Credit On Revolv.retail Accounts
Of Active Bank Revolving Accounts

Our decision was based wholly or in part on information contained in a credit report from the consumer reporting agency listed below. You have the right under the Fair Credit Reporting Act to know the information contained in your credit file. It is a consumer's responsibility to ensure the completeness or her own credit file. Therefore, any inquiry concerning your credit information contained therein reviewed in conjunction with this application should be directed to the following consumer reporting agency:

EQUIFAX
PO BOX 15873
ATLANTA GA 30348
800/685-1111

We appreciate your interest in our credit card services and hope that we can accommodate a similar request in the future.

Sincerely,

First USA Bank

A First USA Company
Member FDIC
Equal Credit Opportunity Act Notice

The federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning First USA Bank is the New York Regional Office of the Federal Deposit Insurance Corporation, Regional Director, 452 Fifth Avenue, 19th Floor, New York, New York 10018.

SIGNET

Equity Finance Department, P. O. Box 85197, Richmond, VA 23285

September 5, 1996

RICHARD SHOFER
216 ST. DUNSTANS ROAD
BALTIMORE, MD 21212

Dear Applicant(s):

Thank you for your recent application for new credit. We regret that we cannot approve your application at this time due to the following reason(s):

1. **Outstanding Judgements**
- 2.
- 3.


Information was obtained in a report from a consumer reporting agency. You have a right under the Fair Credit Reporting Act to know the information contained in your credit file. Any questions regarding such information should be directed to the consumer reporting agency listed below:

TRW Information Services, NCAC
P.O. Box 949
Allen, TX 75016-0000
1-800-682-7654
Report #MB9514

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with this law concerning Signet Bank is: Federal Reserve Bank of Richmond, P.O. Box 27622, 701 E. Byrd Street, Richmond, VA 23261.

If you have any questions regarding this information, please do not hesitate to contact me at 1-800-693-6693, extension 5686. Thank you again for contacting Signet for your financial needs.

Sincerely,



BARBARA RUFFIN
Signet Equity Finance

CATALINA ENTERPRISES, INC.

5000 LIBERTY HEIGHTS AVENUE
BALTIMORE, MARYLAND 21207

RICHARD SHOFER
PRESIDENT

TELEPHONE:
AREA CODE ⁴¹⁰(301) 466-3333

December 30, 1996

Sam A. Reprogel
GE Capital
4 North Park Drive, Suite 500
Hunt Valley, Md. 21030

Dear Sam:

Please excuse my delay in getting back to you regarding the possibility of entering into a financial relationship with a unit of GE Capital Small Business Finance. I hesitated to move forward with further discussion until my first phase of preparation was actually in place.

Last week I completed a ten percent, three year, three hundred thousand dollar loan utilizing a single piece of personal real estate as first mortgage security. Two hundred thousand of that amount was used to finish off income tax obligations principally arising out of the "Stuart Hack" situation. Approximately one hundred thousand dollars presently remains in escrow in order to complete improvements (a bridge and an entrance road) into the subject investment property.

Those "Hack" income taxes liabilities have been a barrier to my business plans since 1989. We are now, at this moment, better positioned for growth than at any time since 1989. I intend to utilize additional real estate with equity value remaining in order to improve our liquidity position and provide a kick off for additional restructuring of finances.

As you know from our two earlier meetings, our automobile business is presently postured for substantial growth in the very near future. Our organization, personnel, and capacity to do business at far above present levels is already firmly in place. All that remains is to acquire a financing arrangement that will allow an expansion utilizing our present proven (over twenty -six years of experience) method of self financing.

I am enclosing a chart that will summarize our level of profitability during each of the last fifteen years. This chart integrates the operations of my parent auto company, our pension trust and my annual level of personal compensation derived from my parent company as well. The chart illustrates change of profitability with the entities related primarily to the many domino effects of the "Stuart Hack" situation. The numbers shown on this chart are the same numbers used when filing the income tax returns of myself and my entities. Although my parent company, that provides

the sales that generates the income appears unprofitable, when combining the results of the separate but closely related entities, there is a tax reported six figure profitability in each and every year but one of that fifteen year period.

I have considerable additional detailed financial data ready to present including current P.&L. and Balance Sheet statements. Additionally, I have more than a ten year detailed statistical analysis of my financing operation available for review. A month by month and year by year computer data base analysis is available regarding average purchase price, sales price, gross profit, finance charge, down payment, length of term, payment amount, age and milage of auto's sold, collect ability of contracts and more.

I would be proud to invite any person or entity contemplating involvement with my auto business to spend a full day or more in my conference room interviewing any or all of my employees, one on one, in order to evaluate their individual level of competence, loyalty, trustworthiness and personality. These great employees are my ultimate assurance of success in presently moving to expand the operations of Crown Motors. I would invite random interview of my customers as well.

The reputation of our automobile business is another element that I am proud to discuss. Without elaborating in detail, I would mention that Crown Motors acted vigorously for many years creating pressure against the industry practice of odometer fraud. In fact, I have a copy of a letter from Manheim Auto Auctions written to Ralph Nader's Public Citizen Litigation Group stating that "Crown Motors complains more about odometer fraud than all of our other dealers put together." Moreover, our degree of equitable treatment of our customers is illustrated by the fact that we are an auto dealer that has been a defendant in People's Court only once in the last fifteen years. Our employment of fair treatment combined with a subtlety different business "technology" provides us the ideal environment for growth.

I would now like to see us levelheadedly increase our present account receivable data base of around two million dollars up to seven million dollars during the next eighteen months by utilizing our presently in place personnel and vehicle parking space capacity. Springtime is not far around the corner. Please let me know soon if GE Capital might have an interest in assisting us in our desire to expand in a proper "un-reckless" manner. Now that my first phase of restructure is completed, I desire to move ahead without delay so that we may capture a worthy share of upcoming springtime business.

Sincerely,



Richard Shofer

Enc.

STATEMENT OF CREDIT DENIAL, TERMINATION, OR CHANGE

Applicant(s): (Type Full Name and Address)

Richard Shofer
216 St. Dunstons Rd
Baltimore, MD 21212

Description of Account, Transaction or Requested Credit:

Refinance
216 St. Dunstons Rd.
Date: 2/25/97

Description of Action Taken:

Credit Denial

PART I. Principal reason(s) for credit denial, termination or other action taken concerning credit. In compliance with Regulation "B" (Equal Credit Opportunity Act), you are advised that your recent application for credit has been declined. The decision to deny/terminate/change your application was based on the following reason(s):

A. CREDIT

- No Credit File
- Insufficient Number of Credit References Provided
- Insufficient Credit File
- Limited Credit Experience
- Unable to Verify Credit References
- Garnishment, Attachment, Foreclosure, Collection Action or Judgment Repossession or Suit
- Excessive Obligations in Relation to Income
 - Unacceptable Payment Record on Previous Mortgage
 - Lack of Cash Reserves
- Delinquent Past or Present Credit Obligations with Others
- Bankruptcy Past or Present
- Unacceptable Type of Credit References Provided
- Poor Credit Performance with Us

D. RESIDENCY

- Temporary Residence
- Length of Residence
- Unable to Verify Residence

E. INSURANCE, GUARANTY or PURCHASE DENIED BY:

- Department of Housing and Urban Development
- Department of Veterans Affairs
- Federal National Mortgage Association
- Federal Home Loan Mortgage Corporation

B. EMPLOYMENT STATUS

- Unable to Verify Employment
- Length of Employment
- Temporary or Irregular Employment

F. OTHER

- Insufficient Funds to Close the Loan
- Credit Application Incomplete
- Value or Type of Collateral not Sufficient
 - Unacceptable Property
 - Insufficient Date - Property
 - Unacceptable Appraisal
 - Unacceptable Leasehold Estate
- We do not grant credit to any applicant on the terms and conditions you have requested.

C. INCOME

- Insufficient Income for Amount of Credit Requested
- Unable to Verify Income
- Excessive Obligations in Relation to Income

PART II. Disclosure of use of information obtained from an outside source.

Our credit decision was based in whole or in part on information obtained in a report from the consumer reporting agency listed below. You have a right under the Fair Credit Reporting Act to know the information contained in your credit file at the consumer reporting agency. The reporting agency played no part in our decision and is unable to supply specific reasons why we have denied credit to you.

Name: CBA Information Services
Address: 111 Woodcrest Road
Cherry Hill, NJ 08003
Telephone Number: 800-635-4094

Our credit decision was based in whole or in part on information obtained from an outside source other than a consumer reporting agency. Under the Fair Credit Reporting Act, you have the right to make a written request, no later than 60 days after you receive this notice, for disclosure of the nature of this information.

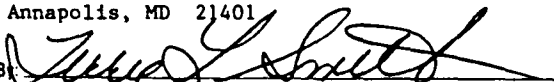
If you have any questions regarding this notice, you should contact:

Creditor's Name:
Creditor's Address:
Creditor's Telephone Number:

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the

Should you have any additional information which might assist us in evaluating your creditworthiness, please let us know.
Thank you for applying.

The Washington Savings Bank, FSB
7 Old Solomons Island Road
Annapolis, MD 21401
(Lender)


Terrie Klinken-Smith

Notice: Mailed Date: 2/25/97
 Delivered



P.O. BOX 368
LANHAM MD 20703

JUL 18, 1990

****KEY**DC0186 1062 00688374 ****

TO ► RICHARD SHOFR
216 ST DUNSTANS RD
BALTIMORE MD 21212

FINANCIAL
AMOUNT OWED
\$15186.00
OTHER CHARGES
\$12244.16
TOTAL OWED
\$27430.16

YOU OWE OUR CLIENT
STATE OF MD - PERSONAL INCOME
YOUR ACCOUNT NUMBER
219281068

IMPORTANT NOTICE **PRINT CLEARLY** ▼

IN THE EVENT FCA HAS QUESTIONS CONCERNING YOUR ACCOUNT OR THE PROPER CREDITING OF YOUR PAYMENT ENTER THE INFORMATION REQUESTED AND THE AMOUNT PAID IN THE APPROPRIATE AREAS BELOW

AREA	HOME TELEPHONE	AREA	WORK TELEPHONE
LAST NAME		FIRST NAME	
STREET ADDRESS			APT. NUMBER
CITY	STATE / PROVINCE	ENTER ►►► \$	
ZIP-A / POSTAL CODE	TE1135 04160	AMOUNT PAID	

carefully detach and return payment stub ▼ Refer to your ****KEY**** number ► when communicating with this office.

FINANCIAL COLLECTION AGENCIES INC.
Suite 400, 5900 Princess Garden Parkway, Lanham, MD 20706,
Tel: (301) 731-4020.

FINANCIAL
AMOUNT OWED
\$15186.00
OTHER CHARGES
\$12244.16
TOTAL OWED
\$27430.16

YOU OWE OUR CLIENT
STATE OF MD - PERSONAL INCOME
YOUR ACCOUNT NUMBER
219281068

Your KEY number ► ****KEY**DC0186 1062 00688374 ****

RICHARD SHOFR
DIAL (301) 731-4020 IMMEDIATELY JUL 18, 1990

Second Notification

**YOU HAVE FAILED TO RESPOND
TO OUR PREVIOUS COMMUNICATION**

Once again therefore, we must call your attention to this debt.
We trust that your better judgment will prompt you to arrange
for complete payment of this account now.
FORWARD PAYMENT IN FULL TODAY OR CONTACT THIS OFFICE IMMEDIATELY.

This letter should not be ignored.

..... This is an attempt to collect a debt. Any information obtained will be used for that purpose. TE1135 04160

▲ carefully detach payment envelope ▲ **IMPORTANT** ▲ carefully detach payment envelope ▲

THE FULLY COMPLETED PAYMENT STUB SHOULD BE RETURNED IN THIS ENCODED ENVELOPE TO ENSURE PROMPT CREDIT TO YOUR ACCOUNT.

▼ FOLD AND SEAL AT THIS LINE

FOLD AND SEAL AT THIS LINE ▼

HILLTOP MORTGAGE COMPANY

200-B PIKESVILLE PLAZA BUILDING
600 REISTERSTOWN ROAD AT SLADE AVENUE
BALTIMORE, MARYLAND 21208
PHONE (301) 484-8004
FAX (301) 484-8093

April 18, 1991

TAX SALE!!

DO YOU NEED MONEY ?
to
CONSOLIDATE BILLS ?
IMPROVE YOUR HOME ?
REFINANCE ?

Dear Homeowner:

It has been brought to our attention that your property is scheduled to be sold at public auction on MAY 13, 1991 in order to satisfy the Delinquent Real Estate Taxes or other Municipal Liens due **BALTIMORE CITY**. Although the Auction Date is drawing close, there is a very limited period of time to redeem your property. If you are interested in saving your property, WE CAN HELP!

Our company has been helping homeowners for over 25 years. We are able to arrange financing on your home to pay the delinquent taxes, consolidate your bills, and get you cash using the EQUITY in your home, all with one low monthly payment to make, REGARDLESS OF YOUR CREDIT!

IF YOU HAVE ALREADY PAID THE DELINQUENT TAXES and stopped the auction, please do not be alarmed by our correspondence, but retain our letter and call us if we can be of any financial help to you in the future.

OUR SERVICE IS FAST AND STRICTLY CONFIDENTIAL!

PLEASE CALL US NOW!!!! 484 - 8004

Very truly yours,

HILLTOP MORTGAGE COMPANY

Judith S. Lubovsky
TAX SALE DIVISION

SERVING MARYLAND SINCE 1964

Melvin Gerber
Licensed Mortgage Broker
1100 N. Monroe Street
Baltimore, Maryland 21217
(301) 669 - 3311

TO: Name *Richard Shofer*
Address *5000 - 5004 Liberty Hope Ave.*
5006 - 5008 " "

Dear *Mr. Shofer*

By way of public records survey, our research department has determined that you are currently in ARREARS on your property taxes, water or paving charges.

If you have equity in your property, I have several plans I can offer to you to SAVE your home from tax sale.

I can offer 24 hour approval.

CALL ME: 669 - 3311

Thank you,

Melvin Gerber

Melvin Gerber
Licensed Mortgage Broker

CITIZENS

FINANCIAL SERVICES

Dear Homeowner:

According to the public records, a lien on your property is being advertised in the local newspaper for failure to pay any overdue charges (real estate taxes, water bills...etc.) to the City of Baltimore. If these charges are not paid by the beginning of May, 1992, then the lien on your property will be sold at **TAX SALE**.

If not redeemed prior to tax sale, your property will be subject to additional interest (24%) and penalties, advertising fees, auctioneer's fees and attorney's fees.

Citizens Financial Services is a licensed and bonded Mortgage Broker in the State of Maryland (license #1876), specializing in helping homeowners like yourself avoid **TAX SALE** situations.

IF YOU HAVE NOT YET PAID THE DELINQUENT CHARGES, or need money for home improvements, bill consolidation, etc., please call us today at (410) 385-0336 so that we may discuss your situation.

Very Truly Yours,

Dan Korn



TAX SALE INVESTORS, INC.

POST OFFICE BOX 26174, BALTIMORE, MD 21210-6174
AREA CODE 410 / TELEPHONE 243-1188 / TELEFAX 889-2604

SHOFER, RICHARD
216 SAINT DUNSTANS ROAD
BALTIMORE, MARYLAND 21212

December 4, 1992

Dear SHOFER, RICHARD

Your property was purchased in the **1992** Baltimore City Tax Sale. Tax Sale Investors purchased the property located at :

5006-5008 LIBERTY HEIGHTS

Since you have not redeemed the property or made arrangements to pay the past due taxes and / or other liens, we have no choice but to start foreclosure proceedings, which may result in the loss of your property.

The amount that is due as of **December 15, 1992** IS **\$3,802.49**

To stop foreclosure please contact Ms. Wanda Berlin at 243-1188.

Sincerely,

Nicholas Piscatelli
Tax Sale Investors

**"If you owe Taxes
You may NOT have to Pay the IRS"**

FROM THE DESK OF: Don Stangle

Founder: National Tax Resolution Foundation
Chairman: Washington Tax Advisors, Inc.

Washington Tax Advisors, Inc.
4938 Hampden Lane, #602
Bethesda, MD 20814
301-986-5655 or 1-800-877-8986

May 11, 1996

Richard Shofer
216 Saint Dunstons Rd
Baltimore, MD 21212-3409

"Providing Instant and Permanent Tax Relief"

Dear Richard:

Public records at the local court house indicate that you may have some past due Federal Income Taxes. Please excuse this intrusion into your life if you are not in need of help with eradicating IRS problems. We would like to offer you our assistance if indeed you do have an IRS tax problem. Almost all taxpayers with past due taxes qualify for relief in one or more of the following ways:

1. INITIAL RETAINER FEE IS \$150.
2. Complete cancellation of your taxes more than 3 years past due. (Ch.7 Bankruptcy)
3. Settlement through an Offer in Compromise: You pay only 5% to 30%.
4. Removal of all Penalties and Interest.
5. Stop seizures & garnishments - Return of Seizures; Remove liens, stop interest & penalties.
6. Arrangement of a liveable payment schedule - Both Business and Personal.
7. SPECIAL HELP WITH 941 WITHHOLDING TAXES.

Our immediate goal is to provide instant relief from the IRS by helping you to stop any present IRS collection action against you. When you call our Free Tax Info Line, you will talk to your own tax relief specialist. You will be advised on your individual tax situation. At that time you will be informed of the relief you qualify for and exactly how to get this relief under current IRS policies and procedures.

If you have had much contact with the IRS, you have no doubt been frustrated with what appears to be a lack of understanding, indifference, and abuse of the immense power they have. Don't blame them. The problem is caused by your having said the wrong things to the wrong people. The solution is available. We will tell you 1) What to say, 2) The proper forms to say it on, and 3) The people to send it to for the right response. You are wasting your time with the IRS unless you know ALL these things and MUCH MORE.

Washington Tax is dedicated to giving you the service you deserve. You will be served promptly and treated with respect, courtesy, and dignity. We charge you less and give you the full attention you are entitled. Past due taxes are a serious problem which should be dealt with respectfully and knowledgeably. This is the only effective approach to removing your tax burden and the resultant suffering. Why you have a tax problem is not our concern.....we just fix it.

As your TAX ADVISORS we must charge you a comparably small retainer fee so that we may continue to provide this service for all citizens. This fee is \$150. This fee is small because we are very efficient. We do most of our work by phone and mail. This saves both of us time and money. Washington Tax is here to help you. We want to make it so easy that all you do is tell us the facts, sign the proper documents, and lick the envelope.

Please call us NOW to see how you can be helped. You will receive, FREE, a written diagnosis of what avenues of tax relief are available to you, the reduced amount to offer the IRS in settlement of your tax liability, and a firm fee proposal for our tax advise services. Ask to see if you qualify for our FREE VHS VIDEO. Call: 301-986-5655 or 1-800-877-8986.

Sincerely yours,



Don Stangle
Chairman of the Board

CLIENT COMMENTS:

"What you suggested seemed too good to be true - that nearly \$32,000 in taxes, penalties, and interest could be absolved. But that's just what you did and we praise God for you and the service you provide." Bob and Charlotte

"Just a note to thank you again for all your work and expertise which helped me through one of the more difficult times in my life - negotiating a compromise with the IRS. I appreciated how available you were to me - by phone or in person. I know I would not have had the success I had in dealing with the IRS had it not been for your guidance." Joe K.

THE LAW OFFICE OF
MURRAY SINGERMAN

direct mail solicitation

May 27, 1996

Richard Shofer
216 St. Dunsten Road
Baltimore City, Maryland 21212

Dear Mr. Shofer:

I'm writing to offer you my free fact kit entitled:

How To Survive Tax Problems and Protect Your Assets.

If the IRS has sent you threatening notices or seized your bank accounts - if you feel overwhelmed by the IRS and can't find a solution to your tax problems - I'm confident these materials will help.

Congress created the IRS for one purpose: to collect taxes. Then, to make the IRS's job easier, Congress stacked the tax laws in favor of the IRS. By doing so, Congress gave the IRS enormous power - more power than any other creditor. For example, you may not know that

The IRS can take your bank accounts, wages, business
- even your home - without going to court!

I know how frightening and frustrating it can be to face the IRS alone, because I've dedicated my law practice to helping people solve their tax problems and protect their assets. I've worked with scores of clients who thought they would never get out from under their tax obligations. But fortunately, with my help, most did.

In my free fact kit, you'll discover. . .

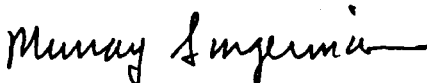
- ◆ 5 dangerous misconceptions about tax problems;
- ◆ 8 costly mistakes you could make if you don't have a competent attorney;
- ◆ How to settle with the IRS for pennies on the dollar;
- ◆ 7 smart ways to protect your assets;
- ◆ How to select the right professional to help solve your tax problems;
- ◆ Complete details about my legal services.

If you'd like to receive this free fact kit by mail, you're invited to call me at (410)720-0435 or toll-free 1-800-314-5505.

Also, if you have tax problems or questions, I'll be happy to discuss your situation over the telephone or in person - no charge, of course.

So if you'd like to talk - or if you'd like to receive my free fact kit by mail - please don't hesitate to call.

Very truly yours,



Murray Singerman, J.D., L.L.M. in Taxation
Attorney at Law

PROMOTION

LAW OFFICES
SUMMERFIELD, WILLEN, SILVERBERG & LIMSKY, P.A.

E. PETE SUMMERFIELD
MARK T. WILLEN
ALAN H. SILVERBERG
MICHAEL R. LIMSKY*

10019 REISTERSTOWN ROAD, SUITE 301
OWINGS MILLS, MD 21117-3910

OFFICE (410) 363-4444
FAX (410) 363-0595

JOHN F. MAHONEY
JONATHAN D. SIEGEL

* ADMITTED IN NJ, MD AND D.C.

July 26, 1996

Richard Shofer
216 St. Dunsten Rd
Baltimore, MD 21212

Good Morning:

Many people find themselves in the position of owing back taxes to the state or federal governments, or both. But this debt does not have to break you financially. Both agencies will negotiate to **accept a substantially lower percentage of these funds, in some cases as low as 10%.**

Part of our focus in the law firm of Summerfield, Willen, Silverberg and Limsky is in the areas of taxation, corporate law, financial planning and bankruptcy law. We have worked with thousands of clients over the past 18 years in the evaluation of their tax situation and have succeeded in either the dismissal or renegotiation of their debt.

Let us show you how we can do the same for you. **The initial consultation is at absolutely no charge.** This meeting gives us the opportunity to review your individual situation and let you know how you should best proceed.

To schedule a consultation, or just to speak on the phone and obtain further information, please contact me at (410) 363-4444. This letter has been sent to you in view of a recent lien filed against you as reported in a recent issue of the Baltimore Business Journal by the State or Federal government for unpaid taxes.

LET US SHOW YOU HOW YOU CAN GET OUT FROM UNDER THE WEIGHT OF YOUR TAX OBLIGATIONS AND DEBT.

Very truly yours,

SUMMERFIELD, WILLEN, SILVERBERG & LIMSKY, P.A.

Michael R. Limsky

Mark T. Willen

KEISER & KEISER

A PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

22 WEST ROAD, SUITE 300
EXECUTIVE BUILDING

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PHONE (410) 494-6900
FAX (410) 494-0396

WASHINGTON, DC AREA OFFICE

9658 BALTIMORE BLVD., SUITE 206
COLLEGE PARK, MD 20740
PHONE 1-800-376-2280

MEMBER:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

ALLEN P. KEISER, CPA

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DOUGLAS T. COATS, CPA
JUDITH A. DOUGLAS, CPA
JEREMY M. LIPPENHOLZ, CPA
STUART N. KEISER, CPA

August 9, 1996

Dear Sir or Madam:

I am corresponding with you to advise you of our specialized services that may be of benefit to you or your organization.

Our firm assists companies and individuals in dealing with the Internal Revenue Service on delinquent tax matters. We specialize in tax lien and levy negotiation services for taxpayers. Timely and appropriate response is imperative in order to prevent additional actions such as levies and seizures from occurring.

AFTER ANALYZING YOUR SITUATION YOU MAY BE ELIGIBLE FOR:

1. REMOVAL OR REDUCTION OF TAXES
2. NEGOTIATE A SETTLEMENT ON THE BALANCE YOU OWE. (MANY TIMES A FEW CENTS ON THE DOLLARS YOU OWE.)
3. REDUCTION OR REMOVAL OF PENALTIES.
4. REDUCE A PRESENT PAYMENT SCHEDULE.
5. 941 WITHHOLDING TAX HELP.

Developing work out plans for companies and individuals that have cash flow problems and problems repaying debt, is another area where our firm can be of assistance.

I have sources for loans and through these sources help negotiate loans that many companies and individuals didn't think were possible.

Call me today for a "FREE" no obligation consultation. Allow us the opportunity to show how we can benefit you.

References will be supplied upon request.

Sincerely,



Allen P. Keiser, CPA

BRODSKY & BRODSKY, CHARTERED

CERTIFIED PUBLIC ACCOUNTANTS

SUITE 320, COURT TOWERS

210 WEST PENNSYLVANIA AVENUE

TOWSON, MARYLAND 21204

FACSIMILE
(410) 825-7909

TELEPHONE
(410) 821-0260

August 23, 1996

Mr Richard Shofer
216 St. Dunsten Road
Baltimore, MD21212

RE: Tax Lien Filing


Dear Mr. Shofer:

About a month ago, I sent you a letter offering to help with the federal tax lien filed against you by the IRS.

As I mentioned, some of my clients have been able to reduce their tax liability by filing an amended return or by submitting an offer in compromise. Others have been able to negotiate an installment agreement which allowed them to pay their tax obligations over a period of months or years.

If you have not resolved your tax problems, please call me at 821-0260. I would be happy to discuss the options which are available to you.

Very truly yours,



IRVIN J. BRODSKY

IJB:mje



Brighton Credit Corporation

Dear American Consumer:

Are your monthly payments a little higher than you're comfortable with?

- Is your financial situation becoming unmanageable?
- Have you fallen behind in your payments due to a sudden emergency?
- Are you on time with your bills and tired of paying excessive interest rates?

Do you feel like there is no light at the end of the tunnel?

If the answer is yes, then we have a program that is designed for someone like you. We would like to take this opportunity to introduce America's "premier" debt management firm, Brighton Credit Corporation. We specialize in unsecured debt restructuring. By unsecured, we mean debt that is not secured by collateral such as a home or car. What we do is consolidate bills such as credit cards, medical bills, lines of credit and installment loans into **one** affordable monthly payment. Many of America's major financial institutions offer our clients reduced interest, along with the elimination of late and over limit fees. What is the result? **\$AVING\$!**

Our primary goal is to assist those American consumers who are experiencing financial hardship. We also assist those individuals who are just looking to simplify their bill paying process by consolidating their bills into **one** monthly payment. Brighton offers its clientele the opportunity to have their bills and financial concerns handled in a professional manner by experts. We feature the most aggressive Credit Division and the most helpful Customer Service staff in the industry. Supporting that talent is a state of the art computer system which allows our clients 24 hour access to their accounts.

We have taken the liberty of enclosing a company brochure which describes many of the services we provide. Included in this brochure is a partial list of those major financial institutions that offer our clients benefits by utilizing our services.

Here's how easy it is to join our program!

Simply dial (800) 403-3433 or complete the reverse "Debt Consolidation Creditor Listing Sheet" and mail to the address listed below or fax to (516) 673-0128.

Remember, We're Here To Help!

Sincerely,
BRIGHTON CREDIT CORPORATION

NOT A LOAN COMPANY

BONDED

215 East Main Street • Huntington, New York 11743 • Tel.: (516) 423-8100 • Fax: (516) 673-0128

Are you having tax problems?

We want to help you!

Experiencing Tax Problems...

We may be able to save you money by eliminating certain penalties and/or interest, or by working out a fair payment plan with the government, thereby protecting you and your family assets.

It has been brought to my attention that your name has appeared in the Circuit Court records with regard to certain taxes allegedly owed to the government. You have important legal rights and may be in need of legal assistance. If protected in a timely manner, these rights may be able to help you resolve your tax dilemma.

If you failed to file a return, we can help you prepare and file it for you! Sometimes, negotiation is the key to success with the tax authorities; we can help. Whether your problem is garnishments, attachments, levies, or any other collection issue, we may be able to help you!

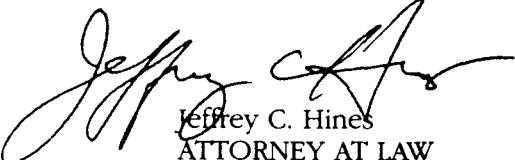


We may be able to help you:

- resolve your tax problems through the protection of the Court.
- Chapter 13 Wage Earners Plan — reorganize your finances

Full range of legal services offered:

- Divorce
- Criminal
- Real Estate
- Personal Injury
- Accidents
- Bankruptcy
- Litigation
- D.W.I.
- Traffic Cases
- Workers Compensation
- Corporate Business Law
- Estates and Trusts


Jeffrey C. Hines
ATTORNEY AT LAW

Budget Payment Plans Offered

*Extended Evening Hours • Free, Convenient Parking in Front of Building
Emergency Service • 20 Years Experience • Other Offices Available to Meet You*

Call 410-366-1550

Individual circumstances vary and these rights described may not apply to you. There are other legal remedies that may apply to your situation. Please call!
The enclosed materials are informational only. If you are not in financial trouble, if you are not in need of legal advice, please disregard this letter.

Dear Taxpayer:

New IRS guidelines have been established to enable delinquent taxpayers to get a "fresh start". Please let us help you take advantage of this opportunity while it lasts.

Are you aware that it is possible when dealing with the Internal Revenue Service Collection Division to:

- Pay as little as 10 cents on the dollar of tax owed.
- Prevent a seizure of assets.
- Arrange a long-term payment plan.
- Have all penalties eliminated under certain circumstances.
- Designate partial payments of payroll taxes owed in a manner which will reduce your overall tax burden.

Attempting to resolve a tax problem with the IRS Collection Division can be an expensive and exhausting experience if you do not have the proper representation. It is our experience that most individuals and businesses do not have the background to resolve tax problems themselves; therefore, they do not take prompt, effective action to resolve the tax matter at the lowest possible cost. This inaction can lead to significant hardship, including assessments against company officers and employees; seizure and sale of personal or business property and real estate; levy of wages, bank accounts and investments; and a poor credit record resulting from a tax lien.

Why choose the certified public accounting firm of CHARLES KRENGEL, P.A. to represent you? The IRS is a complex bureaucracy. **We use former IRS Agents and Officers to represent you** since they know the inner workings of the IRS. We are familiar with IRS negotiation techniques and IRS procedures. Knowing how the IRS operates is three quarters of the battle! With many years of experience in dealing with the Internal Revenue Service and other taxing authorities, we aggressively pursue all avenues available to negotiate the best settlement possible.

Please read the enclosed brochure to learn more about the services we provide. Call us today in the Baltimore area at **(410) 602-5162** or toll free **1-800-892-9631** to schedule a free, no-obligation interview. Please have the envelope in which you received our letter available in order to access your account.

Sincerely yours,



Charles R. Krengel, CPA

Signet Bank Building • 3635 Old Court Road, Suite 405 • Baltimore, Maryland 21208-3908
1 Calvert Plaza, Suite 1440 • 201 E. Baltimore Street • Baltimore, Maryland 21202
28 W. Allegheny Avenue, Suite 500 • Towson, Maryland 21204
Executive Park West • 3 Hillcrest Drive, Suite A100 • Frederick, Maryland 21702
1 Church Street, Suite 802 • Rockville, Maryland 20850
Baltimore Area (410) 602-5162 • Toll-free 1-800-892-9631 • FAX (410) 602-0682

*You don't
have to
go alone.
We can help you.
JAY*

FEDERAL TAX NEGOTIATORS

A Non-Profit Organization Serving The Nation

NOTICE !!

IRS BACK TAXES CAN BE NEGOTIATED
Even if you have a current payment plan in effect.

Your *IRS Tax Obligation* has come to our attention here at FEDERAL TAX NEGOTIATORS. We would like to offer our assistance. Upon your request, we will help you to **stop** the present IRS action against you and provide you with the service you need to obtain relief from the *Internal Revenue Service*, now and in the future.

Our program consists of three "Phases." Phase 1 is an in-depth analysis of your individual circumstances and IRS records by our *CPA firm and their trained negotiation staff*. Our evaluation will determine the best and most expedient remedy available to you and, if your case is accepted, could provide you some of the following relief:

- ⇒ ***Complete forgiveness and discharge of your obligation.***
- ⇒ ***Offering a few cents on the dollar in a compromised settlement.***
- ⇒ ***Temporary freezing of collection activities.***
- ⇒ ***Arrangement of a livable payment schedule.***

In **Phase 2**, we instruct our clients as to their established, lawful, tax rights and options for the purpose of reducing or eliminating their tax burden. We further assist our clients in acting on these options in order to execute them properly for maximum results. All this and more is provided for you for a low, reasonable fee, based primarily on a percentage of what we actually save you. FEDERAL TAX NEGOTIATORS respects your privacy. Why you have an IRS problem is not our concern, we just help to resolve it for you.

Finally, in **Phase 3**, FEDERAL TAX NEGOTIATORS can assist our clients with information and professional referrals to deter a repeat occurrence of a tax problem.

FEDERAL TAX NEGOTIATORS is a Non-Profit, Taxpayer Relief Organization, established in order to serve people, like yourself, with *proven legal remedies and relief*. To find out how you can get the relief that you need from your tax burden, *call me, right away at our nationwide toll free number:*

JAY EASTERLY

1-800-487-1992

(Toll Free-24 hours)

YOUR LOCAL REPRESENTATIVE

**Call today, for a free 1/2 hour consultation. Available for home or office,
day or evening appointments.**

FTN Building, 1240 116th Ave. Northeast, Bellevue, Washington 98004. (206)455-0137 FAX (206)455-2409

Our Tax Professionals are authorized, by the Department of the Treasury, to represent taxpayers in all 50 states, US Territories and Possessions.

Cost of Money	Run date:	05/19/97
Name	Amount	Rate
Chevy Chase Bank	4,800	19.80%
Bravo	2,000	7.90%
Chase Manhattan	1,700	17.80%
Citibank	8,033	19.80%
Citibank	4,300	19.80%
Discover	4,500	15.15%
Choice	6,300	17.80%
Discover	4,600	19.80%
Chase	8,300	17.65%
Prudential	9,000	16.90%
American Express	8,000	19.15%
Bank of New York	2,000	18.99%
Citibank Preferred	13,000	16.88%
First Northamerican	1,550	15.40%
MNBA	11,400	18.90%
A T & T Visa	3,300	18.20%
Associated Investors	9,800	14.99%
Capital One	1,000	19.00%
MBNA	21,170	20.90%
First National	15,000	10.50%
MBNA	17,000	20.90%
Totals	156,753	17.78%

The above chart is an accurate summary of the only commercial credit granted to Richard Shofer or his spouse subsequent to the Maryland National Bank decision of June, 1989 and until April of 1997 when he was able to obtain a remortgage of his residence. It forms the basis for a true picture of the cost of money to Richard Shofer.

1 RICHARD SHOFER * IN THE
2 Plaintiff * CIRCUIT COURT
3 v. * FOR
4 THE STUART HACK COMPANY * BALTIMORE CITY
5 and * Case No.:
6 STUART HACK * 88102069/
7 Defendants * CL79993

8 THE STUART HACK COMPANY *
9 and *
10 STUART HACK *
11 Third Party Plaintiffs *
12 v. *
13 GRABUSH, NEWMAN & CO., P.A. *
14 Third Party Defendant *
15 * * * * *

16 Pursuant to Notice, the deposition of
17 DANIEL J. HERNANDEZ was taken on Monday, March 20,
18 1997, commencing at 10:05 a.m., at Walls Reporting,
19 Inc., 714 Park Avenue, Baltimore, Maryland, before
20 Richard D. Baker, Jr. a Notary Public.
21 Reported by: Richard D. Baker, Jr.

1 APPEARANCES:

2 Douglas R. Taylor, Esquire
on behalf of Plaintiff

3 Janet M. Truhe, Esquire
4 on behalf of Defendants/
Third Party Plaintiffs

5 Deborah Murrell Whelihan, Esquire
6 on behalf of Third Party Defendant

7 ALSO PRESENT: Richard Shofer

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STIPULATIONS

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It is stipulated and agreed by and between counsel for the respective parties that the reading and signing of this deposition by the witness be and the same are hereby waived.

It is further stipulated and agreed that the filing of this deposition with the Clerk of the Court be and the same is hereby waived.

DANIEL J. HERNANDEZ,

called for examination, having been duly sworn to tell the truth, the whole truth and nothing but the truth, testified as follows:

EXAMINATION BY MR. TAYLOR:

Q Mr. Hernandez, my name is Doug Taylor. I represent Richard Shofer, and I'm the one that issued you the notice of deposition for your appearance today. And I would like to begin by asking you to state your full name and address for the record.

A My name is Daniel J. Hernandez and my

1 Q In this situation, was there any
2 security for these overdrafts?

3 A Effectively, no.

4 Q Why would Maryland National Bank have
5 allowed Mr. Shofer to overdraft the account by as
6 much as \$130,000?

7 A More than likely we were contemplating
8 making adjustments to his then existing loans that
9 would have permitted.

10 Q Would it be fair to assume that, based
11 on the permission Mr. Shofer had to overdraw the
12 account, that indications were that Maryland
13 National might favorably or would look favorably on
14 his application for an enhanced line of credit?

15 A Well, I would have to say yes. And the
16 fact that we actually followed through on whatever
17 that date was, would be evidence of that.

18 Q And the dates that these bank statements
19 reflect, that is the first half of 1989, is that
20 the time frame in which Maryland National was
21 considering an enhanced line of credit for Mr.

1 Shofer?

2 A I think that's when Mr. Shofer had
3 requested it, yes. .

4 Q With respect to this particular time
5 frame and with the particular expansion of credit
6 that Mr. Shofer was seeking, who had the authority
7 at Maryland National to either grant or deny the
8 loan request?

9 A It was kind of a committee process at
10 the time. It would have included the account
11 officer. It would have included me. And it would
12 have included probably two or three other people.

13 Q And when you have a committee such as
14 you have just described, what is it that you look
15 at in making a determination with regard to whether
16 you're going to grant this loan application or not?

17 A Historical and current financial
18 exhibits. Some representation of collateral
19 security for the loan. Personal support in Mr.
20 Shofer's case which was fairly common practice for
21 a bank at the time. It was not singled out as an

1 A I'm sure somebody from our bank would
2 have asked Mr. Shofer about that. And presumably
3 it would have been Tim, if he was the person. I
4 don't recall having any specific conversation about
5 that, having notified, being notified of their
6 existence. There may have been times subsequent to
7 that when they were certainly brought up in
8 conversations.

9 Q Is it accurate to assume that at some
10 point in the loan application process here in 1989
11 the bank would have done a credit check on Mr.
12 Shofer or not?

13 A Yes and no. We had a long standing
14 relationship with Mr. Shofer. We did not have any
15 other evidence prior to that of any other personal
16 credit problems. The investigations we did on the
17 company were, appeared to be full disclosure at all
18 times.

19 Q What happened with regard to Mr.
20 Shofer's loan application?

21 A Well, I think the presence of tax liens

1 from a bank's perspective became an obstacle.

2 Q A major obstacle?

3 A A major obstacle.

4 Q Did the bank become aware of federal tax
5 liens during this time frame?

6 A Yes.

7 Q Do you remember when that occurred?

8 A Not really.

9 Q Would that have occurred before or after
10 the committee had its initial meeting?

11 A I think it would have occurred probably
12 after we had discussed what our plans were with Mr.
13 Shofer's companies.

14 Q And would it be fair to say that that
15 information became available to the bank after it
16 had permitted Mr. Shofer to overdraw his accounts?

17 A I'm thinking yes.

18 Q Were there any other factors that you
19 can recall that played a role in the decision to
20 deny this enhanced line of credit to Mr. Shofer?

21 A The presence of the tax liens and the --

1 I am going to guess and say that the lack of timely
2 financial reports would have certainly protracted
3 the discussions, and obviously the presence of the
4 tax liens would have certainly helped us to make
5 our decision to not extend any further credit.

6 Q But would it be fair then to say that
7 those two items were the principal reasons for the
8 bank denying the loan?

9 A They were significant factors.

10 Q Any other factors that you can recall?

11 A There were some discussions as I recall
12 as to the, as to the validity of the loan
13 transactions with the pension plan.

14 Q The loan transactions that gave rise to
15 the tax liens?

16 A I don't remember where the tax liens
17 ended up. I don't know if they ended up in
18 Catalina or the pension trust at this point. I
19 know there was dialogue between the bank and with
20 Mr. Shofer. And Mr. Shofer provided some
21 information from advice that he was getting

1 it appears as though we were cognizant of that.
2 And we in effect ultimately advanced funds to
3 correct that situation. And I think that the
4 overdrafts were kind of part of the process I
5 guess, as best I can remember.

6 Q Is it unusual to permit a bank customer
7 to overdraw an account without any penalties or
8 charges?

9 A Then, as opposed to now, it may have
10 been a bit simpler. And I think it was purely the
11 fact that we were contemplating additional credit,
12 yes.

13 Q Those statements, do they not, reflect
14 no penalties or other charges on the overdrafts?

15 A I didn't really look at that to see if
16 they did.

17 (Pause for document review.)

18 A Actually there are service charges
19 listed in the statements. I don't know, I don't
20 know how much if any of those service charges are
21 related to the overdraft. Certainly the overdrafts

1 National, to cover these overdrafts after the loan
2 had been denied?

3 A Well, the overdrafts were covered.

4 Q By the bank, weren't they?

5 A Well, but that was actually a loan.
6 That was actually a loan of proceeds. Where that
7 loan ended up, whether it ended up in Catalina
8 Enterprises, Crown Motors or in Catalina Pension
9 Trust, I don't remember. But that appears to have
10 been the last piece of credit that was extended to
11 Mr. Shofer, whenever that was, June or whenever.

12 Q Do you recall whether the committee, the
13 loan committee had more than one meeting on this
14 application?

15 A This loan, along with others, got
16 probably monthly review of some sort.

17 Q Do you know whether or not there was any
18 written memoranda or documentation indicating why
19 this loan application was turned down?

20 A Probably the existence of, certainly the
21 existence of tax levies was a negative factor.

1 Again I can't recall when and if financial
2 information was timely. And there was still some
3 doubt between Mr. Shofer and his advisors and the
4 bank and its advisors as to the whole validity of
5 transactions here, and that was a factor.

6 Q Was any of that reduced to writing by
7 the bank; do you recall?

8 A I don't think so.

9 Q This would all have been done orally and
10 communicated to Mr. Shofer orally as well?

11 A Yeah, there were some documents passed
12 back and forth as I recall from some advisors that
13 Mr. Shofer had.

14 Q All right.

15 MR. TAYLOR: I don't have any additional
16 questions although I would like to take maybe a
17 brief break off the record before we conclude.

18 I know you may want to ask some
19 questions. Okay? I would just like to reserve the
20 opportunity to come back.

21 Ms. Truhe do you want to start?

CATALINA ENTERPRISES, INC.

5000 LIBERTY HEIGHTS AVENUE
BALTIMORE, MARYLAND 21207

RICHARD SHOFER
PRESIDENT

TELEPHONE:
AREA CODE (301) 466-3333

April 28, 1989

Mr. Ken Larash
Grabush, Newman & Company
Suite 400
515 Fairmont Avenue
Towson, Maryland 21204

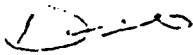
Dear Ken,

I would like to sincerely thank you and your staff for expediting my personal tax returns so that they will be available in time for Mr. Giampetro's meeting with the I.R.S. this coming Monday.

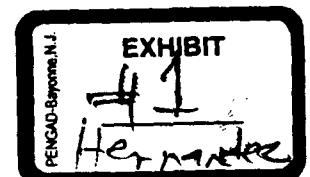
At this time I request that you please do your utmost to provide me with the '88 Pension work up as soon as possible. I am providing you with photocopies of certain documentation to illustrate how critically it is needed.

As you can see, Catalina's current Pension work up is vital in order to proceed with a revised and enhanced credit line with our bank. Our day by day cash flow problems may finally be resolved if pieces fall into place soon. Thank you for the consideration I know you will give this matter.

Yours very truly,


Dick Shofer

cc: Mr. Tim Krause, Maryland National Bank



Douglas R. Taylor
Attorney at Law
P.O. Box 4566
Rockville, Maryland 20850
(301) 565-0209



October 23, 1996

Ann Counts
Attorney at Law
MD4-302-14-01
Legal Department, 14th Floor
10 Light Street
Baltimore, Maryland 21202

Re: Richard Shofer vs.
The Stuart Hack Co., et al
Case No. 88102069/CL79993

Dear Ms. Counts:

In accordance with our telephone conference of this past week, I am writing to you to provide details for my request to depose Mr. Don Hernandez, an employee of the bank. The above captioned suit was filed in 1987 and involves allegations of negligence and breach of contract on the part of Stuart Hack and his company, the plan administrators of Mr. Shofer's company's pension plan.

In early spring of 1989 and for a period to June of that year, Mr. Shofer was in the process of restructuring and increasing his line of credit with Maryland National Bank. Specifically, the increase in the total line of credit to Mr. Shofer and his business entities was to be \$500,000.

Events occurred after Mr. Shofer and Maryland National started working together on this line of credit which resulted in a change of mind on the part of Maryland National to proceed with the loan. Not only did Maryland National decline to continue the project, it became anxious about the line of credit already extended, and it took steps to reduce that line of credit.

The purpose of the deposition is to produce a clear picture of precisely what occurred to cause Maryland National to change its mind about the contemplated loans to Mr. Shofer and his businesses. To illustrate Maryland National's and Mr. Shofer's close working relationship during this period of

We are looking only to the bank as a witness and as a source of important evidence in Mr. Shofer's action against Mr. Hack and his company. The bank in no way is a party to any of the allegations in the above captioned lawsuit, and is only involved by virtue of the fact that Mr. Shofer's relationship with the bank was adversely affected by the actions of Mr. Hack.

If you need any additional information, please contact me.

Very truly yours,

Douglas R. Taylor

Enclosures

time, I am enclosing copies of the record of five months of overdrafts which Maryland National allowed Mr. Shofer to make between the early spring and June of 1989. What is significant about the overdrafts is that they occurred in continually larger amounts over several months, and there were no penalties or correspondence directed at Mr. Shofer seeking a reduction or repayment of these amounts. These overdrafts were a part of the bank's efforts to help Mr. Shofer with an expanded line of credit during this period of time.

Mr. Hernandez, along with Mr. Timothy Krause, another of Mr. Shofer's loan officers, recognized Mr. Shofer's needs for capital to fund springtime auto sales and Mr. Shofer had been authorized to use the overdrafts as a means to obtain immediate funding while the terms of his loan was being worked out.

I am also enclosing copies of the following additional documents:

- Letter dated April 28, 1989 from Richard Shofer to Ken Loresh at Grabush, Newman & Company (copy to Mr. Tim Krause, Maryland National Bank).
- Letter dated April 18, 1987 from William I. Currie to Mr. Timothy Krause, Maryland National Bank.
- Letter dated May 1, 1989 from Andrew G. Shenk, Esquire of Miles & Stockbridge to Bernard Denick, Esquire, Mr. Shofer's attorney.
- Letter dated April 12, 1989 from Bernard S. Denick, Esquire to Mr. John Kieley of Lawyers Title Insurance Corporation.

It is Mr. Shofer's belief that Maryland National changed its mind about these loans for the following reasons:

1. High tax liens were filed against him during the period the loan was under consideration
2. Maryland National did not receive the information it needed to complete the loan in a reasonable enough period of time
3. Maryland National did not know how long it would have to wait for this information, and their focus was on the amount of overdrafts already outstanding

I would expect the deposition would provide additional information and evidence which will show that Mr. Shofer's economic relationship with Maryland National was damaged as a result of events caused by, and directly related to, actions and errors committed by Stuart Hack and his company.

D. Lee
2-22-10
Image 607

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MSA SC 5458-82-152

2

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Case No. 119070 [MSA T3351-923, CW/16/31/25]

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Box 388 [MSA T2691-2027, HF/8/35/9]

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See also for "brick binders":

Box 527 [MSA T2691-2631, HF/11/38/18]

Box 528 [MSA T2691-2632, HF/11/38/19]

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BALTIMORE CITY CIRCUIT COURT (Civil Papers, Equity and Law) Shofer v. The Stuart Hack Co. and Blum, Yumkas, Mailman, 1993, Box 518 Case No. 93285087 [MSA T2691-5593, OR/22/11/20]

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BALTIMORE CITY CIRCUIT COURT (Criminal Papers) State v. Bowden, 1987, Box 142 Case No. 18721501 [MSA T3372-984, CW/2/23/13]

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Box 104 Case Nos. 290221060,61 [MSA T3372-1480, OR/16/16/12]

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BALTIMORE CITY CIRCUIT COURT (Criminal Transcripts) State v. Monk, 1991, Box 78 Case No. 591277019 [MSA T3657-403, OR/17/11/21]

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BALTIMORE CITY CRIMINAL COURT (Transcripts) Eraina Pretty, 1978, Box 43 Case Nos. 57811846, 57811847, 57811848, 57811858, 57811859, 57811860 [MSA T496-3990, OR/18/22/41]

Case 57811847 and Case 57811858 have pull slips in the record center box that indicate the files were sent back to Baltimore City Circuit Court attn: Jack Blake in 1993.

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BALTIMORE CITY CIRCUIT COURT (Criminal Papers) State v. Johnson (or Johnson-Bey),

1987, Box 11 Case No. 28701917 [MSA T3372-853, CW/2/20/26]

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System design by Dr. Edward C. Papenfuse and Nancy Bramucci.
Programmed in *Microsoft SQL Server* and *Cold Fusion 7.0* by Nancy Bramucci.
Technical support provided by Wei Yang, Dan Knight, Tony Darden, and Matt Davis.
Version 2.8.1