Pro-Forma Example

Potential Payments Upon Termination or Change in Control

The Company has entered into certain agreements and maintains certain plans that will require the Company to provide compensation to named executive officers of the Company in the event of a termination of employment or a change in control of the Company. The amount of compensation payable to each named executive officer in each situation is listed in the tables below.

The following table describes the potential payments upon termination or a change in control of the Company for ____________, the Company's CEO.

Executive Benefits and Payments Upon Termination (1)	Voluntary Termination	Early Retirement (Rule of 65)	Normal Retirement	Involuntary Not for Cause Termination (2)	For Cause Termination	Involuntary or Good Reason Termination (CIC) (3)	Death or Disability
Compensation:							
Base Salary ($1 million)	$0	$0	$0	$2,000,000	$0	$3,000,000	$0
Short-term Incentive (100% of base salary)	$0	$0	$0	$2,000,000	$0	$6,000,000	$0
Long-term Incentives (4)							
Performance Shares							
2005 - 2007 (performance period)	$0	$667,000 (5)	$667,000 (5)	$667,000 (5)	$0 (6)	$1,000,000 (7)	$667,000 (5)
2006 - 2008 (performance period)	$0	$333,000 (5)	$333,000 (5)	$333,000 (5)	$0 (6)	$1,000,000 (7)	$333,000 (5)
Stock Options/SARs							
Unvested and Accelerated	$0	$500,000	$500,000	$500,000	$0 (6)	$500,000	$500,000
Restricted Stock Units							
Unvested and Accelerated	$0	$500,000	$500,000	$500,000	$0 (6)	$500,000	$500,000
Benefits and Perquisites:							
Incremental Non-qualified Pension	$0	$0	$0	$400,000	$0	$1,200,000	$0
Post-retirement Health Care	$0	$200,000	$350,000	$350,000	$0 (6)	$350,000	$0
Life Insurance Proceeds	$0	$0	$0	$0	$0	$0	????
Disability Benefits	$0	$0	$0	$0	$0	$0	????
Accrued Vacation Pay	$77,000	$77,000	$77,000	$77,000	$0	$225,000	$0
Company Car and Driver	$0	$0	$750,000 (8)	$150,000	$0	$225,000	$0
Financial Planning	$0	$0	$175,000 (8)	$35,000	$0	$52,500	$0
Aircraft Usage	$0	$0	$1,125,000 (8)	$225,000	$0	$337,500	$0
Home Security System	$0	$0	$50,000 (8)	$10,000	$0	$15,000	$0
Office and Secretarial Services	$0	$0	$625,000 (8)	$125,000	$0	$187,500	$0
Tax Gross-up on Perquisites	$0	$0	$1,362,000 (8)	$300,000	$0	$400,000	$0
280G Tax Gross-up	$0	$0	$0	$0	$0	$5,300,000	$0
Total:	*$77,000*	*$2,277,000*	*$6,514,000*	*$7,672,000*	*$0*	*$20,292,500*	*$2,000,000*

(1) For purposes of this analysis, we assumed the Executive's compensation is as follows: current base salary equal to $1 million, annual incentive opportunity equal to 100% of base salary, long-term incentive opportunity equal to 100% of base (50% paid in stock options and 50% paid in restricted stock units) and target performance share award equal to 100% of base salary.

(2) Assumes the Executive's severance benefit under an involuntary not for cause termination is equal to 2x base salary, target annual bonus and perquisites.

(3) Assumes the Executive's severance benefit under an involuntary or good reason termination (CIC) is equal to 3x base salary, highest annual bonus and perquisites.

(4) Assumes the Executive's date of termination is December 31, 2006 (assuming a calendar fiscal year end) and the price per share of the Company's stock on the date of termination is $25 per share.

(5) Prorated based on actual performance through the end of the performance period.

(6) In some cases, the Executive may be retirement eligible and such amounts may be entitled to accelerated vesting.

(7) Full payout assuming target performance is achieved.

(8) Executive is entitled to perquisites for ten years following a normal retirement. The estimated present value was calculated assuming a 6.5% discount rate and an assumed rate of cost increase of 6.5%.

[Please note, additional tables will need to be added for each of the named executive officers.]

Below is a description of the assumptions that were used in creating the tables above. Unless otherwise noted the descriptions of the payments below are applicable to all of the above tables relating to potential payments upon termination or change in control. **[Please note, if the assumptions are different for different executive officers then those differences must be described separately.]**

Non-Compete and Non-solicitation Agreements

As a condition to each executive’s entitlement to receive the base salary amounts and equity award acceleration referenced in the tables above, the executive is required to execute a waiver of claims against the Company and shall be bound by the terms of a non-competition agreement which prohibits the executive from working in the _______________ industry for a period equal to the greater of one year from the executive’s termination of employment, or in the case of a change in control, two years from the date of the change in control.

Equity Acceleration

In the event of a termination of the executive’s employment without cause by the Company or the executive’s termination for good reason, the executive will be entitled to 12 months of additional vesting acceleration of executive’s then unvested stock options, SARs and restricted stock units.

Incremental Non-Qualified Pension Amounts

The amounts relating to the incremental non-qualified pension amounts in the above tables are based on 2 additional years of service credit following termination of employment (3 years in the case of a change in control) at the severance rate of pay, an interest rate of 6.5%, the 94GR mortality table and age 65 normal retirement (except in the case of early retirement in which case the rule of 65 is used). All amounts payable pursuant to an incremental non-qualified pension are assumed to be paid as a lump-sum.

Post-Retirement Health Care Benefits

The value of the health benefits is based upon the 94GR mortality table and the Company providing health care coverage to the executive and his spouse until the death of each.

Involuntary not for Cause Termination and Termination for Good Reason

The executive will be entitled to certain benefits as described in the tables above if the executive’s employment is terminated by the Company for reasons other than cause or by the executive for good reason. A termination is for cause if it is for any of the following reasons: (i) the executive has intentionally engaged in unfair competition with the Company or committed an act of embezzlement, fraud or theft with respect to the property of the Company in a manner causing material loss, damage or injury to or otherwise materially endangering the property, reputation or employees of the Company, (ii) the executive has repeatedly abused alcohol or drugs on the job or in a manner affecting the executive's job performance, (iii) the executive has been found guilty of or has plead nolo contendere to the commission of a felony offense or (iv) the executive has willfully and continually failed to substantially perform the executive's duties. A termination by the executive is for good reason if it is for any of the following reasons: (i) a reduction in the executive's base salary, (ii) a material diminution in the executive's duties, responsibilities or authority or (iii) a material breach of the executive's employment agreement by the Company.

Payments upon a Termination in connection with a Change in Control

The executive will be entitled to certain benefits as described in the tables above if the executive's employment is terminated by the Company for reasons other than cause or by the executive for good reason during the six month period before or the 12 month period after a change in control. A change of control means any of the following: (i) a dissolution or liquidation of the Company, (ii) a merger or consolidation in which the Company is not the surviving corporation (other than a merger or consolidation with a wholly-owned subsidiary, a reincorporation of the Company in a different jurisdiction, or other transaction in which there is no substantial change in the stockholders of the Company or their relative stock holdings, (iii) a merger in which the Company is the surviving corporation but after which the stockholders of the Company immediately prior to such merger (other than any stockholder that merges, or which owns or controls another corporation that merges, with the Company in such merger) cease to own their shares or other equity interest in the Company, (iv) the sale of substantially all of the assets of the Company, or (v) the acquisition, sale, or transfer of more than 50% of the outstanding shares of the Company by tender offer or similar transaction.

Tax Gross-up on Perquisites

The Company has agreed to reimburse the executive for any income taxes that are payable by the executive as a result of the executive receiving certain perquisites from the Company. The company has also agreed to reimburse the executive for any income taxes that are payable by the executive as a result of the Company reimbursing the executive for income taxes that are payable by the executive. The calculation of the tax gross-up on perquisites in the above tables is based upon a 35% federal income tax rate and a 9.3% state income tax rate.

280G Tax Gross-up

Upon a change in control of the Company the executive may be subject to certain excise taxes pursuant to Section 280G of the Internal Revenue Code. The Company has agreed to reimburse the executive for all excise taxes that are imposed on the executive under Section 280G and any income and excise taxes that are payable by the executive as a result of any reimbursements for Section 280G excise taxes. The total 280G tax gross-up amount in the above tables assumes that the executive is entitled to a full reimbursement by the Company of (i) any excise taxes that are imposed upon the executive as a result of the change in control, (ii) any income and excise taxes imposed upon the executive as a result of the Company's reimbursement of the excise tax amount and (iii) any additional income and excise taxes that are imposed upon executive as a result of the Company's reimbursement of the executive for any excise or income taxes. The calculation of the 280G gross-up amount in the above tables is based upon a 280G excise tax rate of 20%, a 35% federal income tax rate, a 1.45% medicare tax rate and a 9.3% state income tax rate. For purposes of the 280G calculation it is assumed that no amounts will be discounted as attributable to reasonable compensation and no value will be attributed to executive executing a non-competition agreement. The payment of the 280G tax gross-up will be payable to the executive for any excise tax incurred regardless of whether the executive's employment is terminated. However, the amount of the 280G tax gross-up will change based upon whether the executive's employment with the Company is terminated because the amount of compensation subject to Section 280G will change.