

IN THE
Supreme Court of Virginia
AT RICHMOND

RECORD NO. 921705

McCLANAHAN INGLES,
Appellant,
v.

ROBERT C. DIVELY,
Appellee.

JOINT APPENDIX
VOLUME III

A. Davis Bugg, Jr.
RUMSEY, BREEDEN, HUBBARD,
BUGG & TERRY
Steamboat Road
P.O. Box 340
Irvington, VA 22480
(804) 438-5522

Counsel for Appellant

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Counsel for Appellee

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NAME OF STOCKHOLDER	PLACE OF RESIDENCE	TIME BECAME OWNER	CERTIFICATES ISSUED		FROM WHOM SHARES WERE TRANSFERRED (If Original Issue Enter As Such)	AMOUNT PAID THEREON	DATE OF TRANSFER OF SHARES	TO WHOM SHARES ARE TRANSFERRED	CERTIFICATE NUMBERED		NUMBER OF SHARES HELD (BALANCE)	VALUE OF STOCK TRANSFER TAX STAMP APPLIED
			CERT. NO.	NO. SHARES					CERT. NO.	NO. SHARES		
Robert C. Smith			1	15	Original		9-27-84	Mr. A. Smith	1	15	15	
McMannan, Sydney			2	15	Original		9-27-84				15	
A Mrs. Chapman, Sydney			3	15	Robert C. Smith	1,500.00	6-15-85				15	
B												
C												
D												
E												
F												
G												

PLAINTIFF'S EXHIBIT

1

740

生

740

Sea Technology Ltd.

[illegible]

Number

1

Shares

15

Incorporated under the laws of the Commonwealth of Virginia

SEA TECHNOLOGY LTD.


The Corporation is authorized to issue 500 shares - Par Value \$100 Each

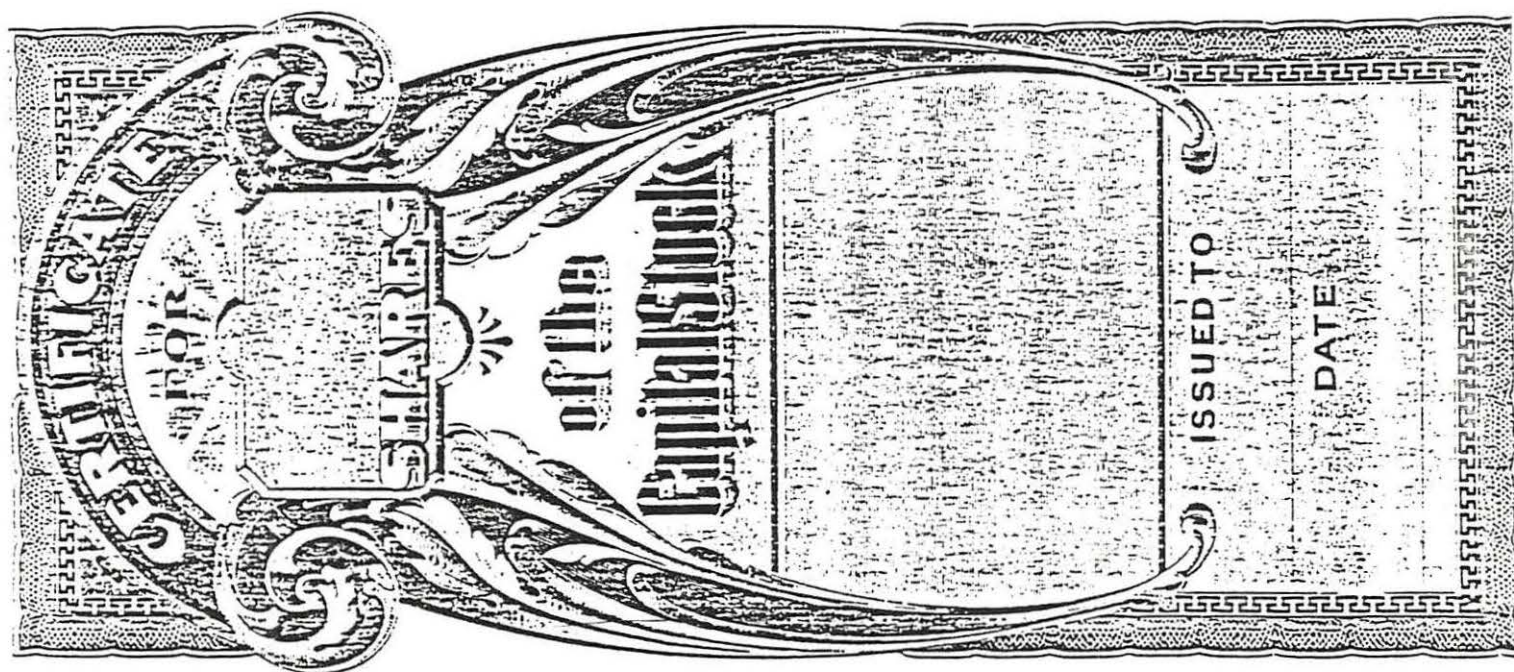
THIS CERTIFIES that ROBERT C. DIVELY is the owner of
FIFTEEN (15) fully paid and non-assessable Shares of the above
Corporation transferable only on the books of the Corporation by the holder hereof in person or by
duly authorized Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its
duly authorized officers and to be sealed with the Seal of the Corporation.

Dated September 27, 1984


Secretary


President



For Value Received, 1 hereby sell, assign, and transfer
unto McCLAMAHAN INGLES

FIFTEEN AND NO/100

FIFTEEN AND NO/100 ----- Shares
of the Capital Stock represented by the within
Certificate, and, do, hereby, irrevocably, constitute, and, appoint
Attorney
to transfer the said Stock on the books of the within named
Corporation, with full power of substitution in the premises.

Dated: June 15, 1985

In presence of

ROBERT C. DIVELY

NOTICE: THE SIGNATURE OF THIS ASSIGNEE MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE, IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT, OR ANY CLAUSE WHATSOEVER.

Number

2

Shares

15

Incorporated under the laws of the Commonwealth of Virginia

SEA TECHNOLOGY LTD.

The Corporation is authorized to issue 500 shares - Par Value \$100 Each

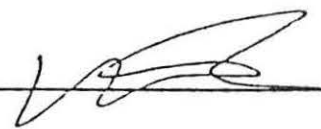
THIS CERTIFIES that McCLANAHAN INGLES is the owner of

FIFTEEN (15) fully paid and non-assessable Shares of the above

Corporation transferable only on the books of the Corporation by the holder hereof in person or by
duly authorized Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its
duly authorized officers and to be sealed with the Seal of the Corporation.

Dated September 27, 1984


Secretary


President

Number

3

Shares

15

Incorporated under the laws of the Commonwealth of Virginia

SEA TECHNOLOGY LTD.

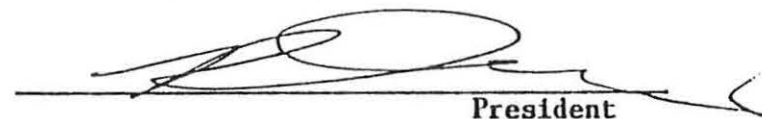
The Corporation is authorized to issue 500 shares - Par Value \$100 Each

THIS CERTIFIES that McCLANAHAN INGLES is the owner of
FIFTEEN AND NO/100 ----- fully paid and non-assessable Shares of the above
Corporation transferable only on the books of the Corporation by the holder hereof in person or by
duly authorized Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its
duly authorized officers and to be sealed with the Seal of the Corporation.

Dated June 15, 1985


Secretary


President

745

Rev. May 1963)
Department of the Treasury
Internal Revenue Service

(Under section 1362 of the Internal Revenue Code)

- For Paperwork Reduction Act Notice, see page 1 of instructions.
- See separate instructions.

OMB No. 1545-0148

Note: This election to be treated as an "S corporation" can be approved only if all the tests in Instruction B are met.

Part 1

Name of corporation (see instructions) Sea Technology Ltd	Employer identification number (see instructions) 54-1297675	Principal business activity and principal product or service (see instructions) Manufacturing
Number and street PO Box 708		Election is to be effective for tax year beginning (month, day, year) 9-1-87
City or town, State and ZIP code Gloucester VA 23061		Number of shares issued and outstanding (see instructions) 30
Is the corporation the outgrowth or continuation of any form of predecessor? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Date and place of incorporation YUG 11/17 9-27-84
"Yes," state name of predecessor, type of organization, and period of its existence ►		

If this election takes effect for the first tax year the corporation exists, enter the earliest of the following: (1) date the corporation first had shareholders, (2) date the corporation first had assets, or (3) date the corporation began doing business. ►

Selected tax year: Annual return will be filed for tax year ending (month and day) 12/31/2012

See Instructions before entering your tax year. If the tax year ends any date other than December 31, you must complete Part II or Part IV on back. You may want to complete Part III to make a back-up request.

[illegible]

For this election to be valid, the consent of each shareholder, person having a community property interest in the corporation, and each tenant in common, joint tenant, and tenant by the entirety must either appear above or be attached to this statement. (See instructions for column D, if continuation sheet or a separate consent statement is needed.)

Under penalty of perjury, I declare that I have examined this document, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

Signature and Date of Officer  746 Date 

Parts II, III, and IV on back.

THIS AGREEMENT, made this 20th day of April, 1987, between
McCLANAHAN INGLES of Gloucester County, Virginia, hereinafter referred to
as "Ingles"; and ROBERT C. DIVELY of Williamsburg, Virginia, hereinafter
referred to as "Dively", provides as follows:

WHEREAS, Ingles is the owner of certain stock in the following
named corporations, to-wit: Sea Technology, Ltd., United Metering
Services, Incorporated and Innovative Technology International, Ltd.; and

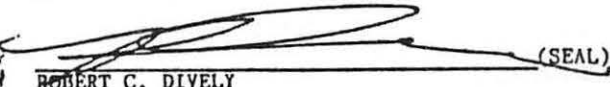
WHEREAS, Ingles wishes to offer Dively the option to purchase
stock in said corporations up to an amount equaling Ingles' stock in said
corporations.

NOW, THEREFORE, WITNESSETH: That for and in consideration of
services rendered in the sum of \$10.00 and other valuable consideration,
Ingles hereby offers Dively the option to purchase stock in said
corporations from Ingles for one half (1/2) of Ingles's costs therein
provided same is exercised within thirty (30) years from the date hereof.

WITNESS the following signatures and seals.


McCLANAHAN INGLES

(SEAL)

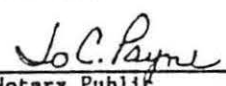

ROBERT C. DIVELY

(SEAL)

STATE OF VIRGINIA,

COUNTY OF GLOUCESTER, to-wit:

The foregoing instrument was acknowledged before me this 20th day
of April, 1987, by McCLANAHAN INGLES.


Notary Public

My Commission expires:

May 19, 1989

PLAINTIFF'S
EXHIBIT

3

STATE OF VIRGINIA,

COUNTY OF GLOUCESTER, to-wit:

The foregoing instrument was acknowledged before me this 20th day
of April, 1987, by ROBERT C. DIVELY.

Lo C. Pomeroy
Notary Public

My Commission expires:

May 19, 1989

4

SCHEDULE K-1

Shareholder's Share of Income, Credits, Deductions, etc.

(Form 1120S)

Department of the Treasury
Internal Revenue Service

For calendar year 1987 or tax year
beginning 9/1, 1987, and ending 8/31, 1988
For Paperwork Reduction Act Notice, see page 1 of Instructions for Form 1120S.

1987

Shareholder's identifying number 301-26-7910 Corporation's identifying number 54-1297675

Shareholder's name, address, and ZIP code

ROBERT C. DIVERLY
105 WILLIAM ALLEN
WILLIAMSBURG, VA, 23185

Corporation's name, address, and ZIP code

SEA TECHNOLOGY LTD
P.O. Box 708
GLoucester, VA, 23061

A (1) Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1). 50 %

(2) Number of shares owned by shareholder at tax year end 50

B Internal Revenue Service Center where corporation filed its return PHILADELPHIA

C Tax shelter registration number (see Instructions for Schedule K-1)

D Did the shareholder materially participate in the trade or business activity(ies) of the corporation? (See instructions for Schedule K-1. Leave the check boxes blank if there are no trade or business activities.) ☒ Yes ☐ No

E Did the shareholder actively participate in the rental real estate activity(ies) of the corporation? (See instructions for Schedule K-1. Leave the check boxes blank if there are no rental real estate activities.) ☐ Yes ☐ No

F If (1) question D is checked "No" or income or loss is reported on line 2 or 3 and (2) the shareholder acquired corporate stock after 10/22/86, check here ☐ and enter the shareholder's weighted percentage increase in stock ownership for 1987 (see instructions for Schedule K-1) %

G If question D is checked "No" and any activity referred to in question D was started or acquired by the corporation after 10/22/86, check here ☐ and enter the date of start up or acquisition in the date space on line 1. Also, if an activity for which income or loss is reported on line 2 or 3 was started after 10/22/86, check the box and enter the start up date in the date space on line 2 or 3.

H If the short tax year shown above was a result of a change in tax year required by section 1378, check here ☐

Caution: Refer to Shareholder's Instructions for Schedule K-1 before entering information from Schedule K-1 on your tax return.

	(a) Distributive share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Income (Losses) and Deductions	1 Ordinary income (loss) from trade or business activity(ies). Date: <u></u>	<u>147,113.67</u>	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Income or loss from rental real estate activity(ies). Date: <u></u>		
	3 Income or loss from rental activity(ies) other than line 2 above. Date: <u></u>		
	4 Portfolio income (loss):		
	a Interest	<u>58.97</u>	Sch. B, Part I, line 2
	b Dividends		Sch. B, Part II, line 4
	c Royalties		Sch. E, Part I, line 5
	d Net short-term capital gain (loss)		Sch. D, line 5, col. (f) or (g)
	e Net long-term capital gain (loss)		Sch. D, line 12, col. (f) or (g)
	f Other portfolio income (loss)		(Enter on applicable line of your return)
5 Net gain (loss) under section 1231 (other than due to casualty or theft).		Form 4797, line 1	
6 Other income (loss) (attach schedule)		(Enter on applicable line of your return)	
7 Charitable contributions		See Form 1040 Instructions.	
8 Section 179 expense deduction (attach schedule)	<u>5,000.00</u>	See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
9 Deductions related to portfolio income (loss) (attach schedule)			
10 Other deductions (attach schedule) <u>EXEMPT 165.90, 50% bonus 337.50</u>	<u>503.40</u>		
Credits	11a Jobs credit	<u>5900.84</u>	Form 5884
	b Low-income housing credit		Form 8586, line 8
	c Qualified rehabilitation expenditures related to rental real estate activity(ies) (attach schedule)		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	d Credits related to rental real estate activity(ies) other than on lines 11b and 11c (attach schedule)		
	e Credits related to rental activity(ies) other than on lines 11b, c, and d (attach schedule)		
12 Other credits (attach schedule)			
Tax Preference and Adjustment Items	13a Accelerated depreciation of real property placed in service before 1987	<u>884.84</u>	Form 6251, line 5a
	b Accelerated depreciation of leased personal property placed in service before 1987		Form 6251, line 5b
	c Depreciation adjustment on property placed in service after 1986		Form 6251, line 4g
	d Depletion (other than oil and gas)		Form 6251, line 5h
	e (1) Gross income from oil, gas, or geothermal properties		See Form 6251 Instructions.
	(2) Gross deductions allocable to oil, gas, or geothermal properties		
f Other items (attach schedule)		See Shareholder's Instructions for Schedule K-1 (Form 1120S).	

Personal Financial Statement

CONFIDENTIAL

TO: CENTRAL FIDELITY BANK

Date: January 28, 1988

Full Name: McClanahan Ingles

Taxpayer No.: 228-64-6125

Home Address: P.O. Box 1362, Gloucester, Virginia 23061

Business Address: P.O. Box 708, Gloucester, Virginia 23061

ASSETS

(Figures rounded to nearest \$100.00)

CASH ON HAND AND ON DEPOSIT

Crestar Bank - Checking Account	\$ 39,800.00	
First American Bank of Virginia - Money Market Account	5,800.00	
	<hr/>	\$ 45,600.00

ACCOUNTS RECEIVABLE

Internal Revenue Service - estimate for tax year 1987	15,000.00	
	<hr/>	\$ 15,000.00

NOTES RECEIVABLE

L. Deal - Demand Note dated 10-31-79	\$ 7,500.00	
Constance F. Ingles - two Demand Notes dated April 15, 1982	45,000.00 _±	
	<hr/>	\$ 52,500.00

MARKETABLE SECURITIES - U.S. GOVERNMENT AND OTHER

1,000 shares - American Income Life Insurance Co.	\$ 9,500.00 _±	
18,100 shares - Eldorado Gold and Explorations, Inc.	2,200.00 _±	
500 shares - Thousand Trails, Inc.	1,500.00 _±	
2,000 shares - Central Fidelity Bank	50,000.00 _±	
6,000 shares - Newport News Savings Bank	48,000.00 _±	
1,000 shares American Scientific	14,000.00 _±	
	<hr/>	\$ 125,200.00



CLOSELY HELD NON-MARKETABLE SECURITIES

50 shares - Martin, Hicks & Ingles, Ltd. (50% interest)	
(Cost - \$22,500.00)	\$ 220,000.00+
15 shares - Sea Technology, Ltd. (Cost - \$1,500.00)	1,500,000.00+
145 shares - White Marsh Farm Corporation	
(Cost - \$14,500.00) - crops harvested and in field	28,000.00+
20 shares - The Petsworth Corporation (Cost \$2,000.00)	145,000.00+
891 shares - Richmond Production Credit Association	
(Cost - \$9,705.00)	10,100.00+
	<hr/>
	\$1,903,100.00

CASH VALUE OF LIFE INSURANCE (before loans, if any)

Estate Life -	\$ 70,000.00
Insured - McClanahan Ingles	
Beneficiary - Estate	
Face Amount - \$70,000.00	
Cash Value - -0-	
Loans against policy - -0-	
First Colony -	75,000.00
Insured - Constance F. Ingles	
Beneficiary - McClanahan Ingles and brothers	
Face Amount - \$75,000.00	
Cash Value - -0-	
Loans against policy - -0-	
First Colony -	50,000.00
Insured - Nathaniel B. Ingles	
Beneficiary - McClanahan Ingles and Breckenridge Ingles	
Face Amount - \$50,000.00	
Cash Value - -0-	
Loans against policy - -0-	

AUTOMOBILES

10 owned	\$ 33,000.00
	<hr/>
	\$ 33,000.00

REAL ESTATE OWNED

88.5 acres, waterfront property, Abingdon Magisterial District, Gloucester County, Virginia	\$ 442,800.00+
.32 interest in office building and lot in Gloucester Courthouse	48,000.00+
.2295 interest in 765 acres, Abingdon Magisterial District, Gloucester County, Virginia, with	

REAL ESTATE OWNED continued

substantial frontage on U.S. Route 17 recently zoned commercial	444,000.00±
1/2 interest in 8 apartments and 8 parcels of land in York Magisterial District, Gloucester County, Virginia, zoned multi-family	250,000.00±
1/2 interest in 1040.74 acres, Abingdon Magisterial District, Gloucester County, Virginia, with substantial frontage on U.S. Route 17 recently zoned commercial	1,379,000.00±
1/4 ownership of River Run Corporation and Barn Elms Land Trust owning real estate and mortgages connected with development in Middlesex County, Virginia;	
Cash on Hand	\$ 16,700.00
Mortgages Receivable:	\$195,900.00
Property still for sale:	184,000.00
Notes Payable:	177,000.00
Value of interest:	\$219,600.00 ÷ 4 =
	54,900.00±
1/7 interest in mortgages or land sales contracts in the name of Millwood Land Trust and MLT Corporation;	
Cash on Hand	\$ 400.00
Mortgages receivable:	25,900.00
Notes payable:	10,100.00
Value of interest	\$ 16,200.00 ÷ 7 =
	2,300.00±
1/2 interest in Knights Run, Ltd. owning real estate or mortgages in Northumberland County, Virginia;	
Cash on Hand	\$ 24,200.00
Mortgages receivable:	\$430,000.00
Property still for sale:	180,000.00
Notes payable:	238,200.00
Value of interest:	\$ 396,000.00 ÷ 2 =
	198,000.00±
55% interest in Lower Cheasapeake Associates and Willoughby Marina, Inc. owning a marina facility in Norfolk, Virginia - based upon asking price of \$4,400,000	947,400.00±
Contractual rights in 88.91 acres and 15.62 acres and 7 acres, Westville Magisterial District, Mathews County, Virginia, titled in the name of The Bays, Ltd. and Chapel Neck, Ltd.;	
Value of interest:	275,000.00±
"Berkshire" - residence, 9.76 acres, Ware Magisterial District, Gloucester County, Virginia,	500,000.00±
1/2 interest in 1.51 acres, Abingdon Magisterial District, Gloucester County Virginia - Booker property - titled jointly with B. Ingles	120,000.00±

\$4,661,400.00

OTHER ASSETS

Personal Property and Antiques	\$ 210,000.00±	
Farm Equipment	237,000.00±	
Hay, Fuel and Grain Bins	10,000.00±	
	<hr/>	\$ 457,000.00
TOTAL ASSETS:		<hr/> \$7,292,800.00

LIABILITIES

(Figures rounded to nearest \$100.00)

NOTES SECURED

Commodity Credit Corporation - payable annually; secured by grain bins; Loan Balance:	3,900.00±	
Constance F. Ingles - payable interest only monthly; secured by deed of trust on real property: Loan Balance:	140,000.00±	
Debts in the name of Middle Peninsula Properties to A. Max Genet and Mildred H. Genet; payable monthly; secured by deed of trust on real estate; Loan Balance:	63,100.00±	
Debts in the name of Middle Peninsula Properties to Crestar Bank- Commercial Note Loan Balance:	13,000.00±	
Federal Land Bank of Baltimore - 1/2 interest; payable annually; secured by deed of trust on 1,040.74, Loan Balance: \$210,000.00 ÷ 2 =	105,000.00±	
Crestar Bank (formerly United Virginia Bank Gloucester) - payable monthly; secured by deed of trust on 88.5 acres; Loan Balance:	77,500.00±	
Martin H. Wilcox and Valerie J. Wilcox - note on residence	350,000.00±	
Diane Walton Settle - note on Booker property	56,500.00±	
Sperry New Holland - payable semi-annually; TR86 New Holland Combine	53,200.00±	
John Deere - payable annually; 4450 RCD Tractor	16,000.00±	
	<hr/>	\$ 878,200.00

Joint, contingent or guaranteed loans of Sea Technology, Ltd., River Run Corporation, Millwood Land Trust, Knights Run, Ltd., Lower Chesapeake Associates, Willoughby Marina, Inc., The Bays, Ltd., Chapel Neck, Ltd., loan from Federal Land Bank, Middle Peninsula Properties and on Booker property.

TOTAL LIABILITIES:	\$ 878,200.00
--------------------	---------------

CAPITAL

Assets:	\$7,292,800.00
Liabilities:	878,200.00
	<hr/>
NET WORTH:	*\$6,414,600.00

ESTIMATED ANNUAL INCOME FOR 1988

Principal Employer - Martin, Hicks & Ingles, Ltd. and Gloucester Title Company	\$ 120,000.00+
Rental Income	55,000.00+
Income from Investments, salaries and consulting fees from other sources	<u>220,000.00+</u>
Total Annual Income:	\$ 395,000.00+

* This statement does not attempt to estimate any tax liability resulting from the sale of any asset listed herein.



James Chesley
Personal Financial Statement

CONFIDENTIAL

TO: CENTRAL FIDELITY BANK

2-16-89
Date: January 3, 1989

Full Name: McClanahan Ingles

Taxpayer No.: 228-64-6125

Home Address: P.O. Box 1362, Gloucester, Virginia 23061

Business Address: P.O. Box 708, Gloucester, Virginia 23061

ASSETS

(Figures rounded to nearest \$100.00)

CASH ON HAND AND ON DEPOSIT

Crestar Bank - Checking Account	\$ 9,200.00	
Crestar Bank - Money Market Account	1,200.00	
	<hr/>	\$ 10,400.00

NOTES RECEIVABLE

Constance F. Ingles - two Demand Notes dated April 15, 1982	\$ 45,000.00+	
White Marsh Farm Corporation	113,000.00+	
	<hr/>	\$ 158,000.00

MARKETABLE SECURITIES - U.S. GOVERNMENT AND OTHER

18,100 shares - Eldorado Gold and Explorations, Inc.	\$ 2,200.00+	
500 shares - Thousand Trails, Inc.	1,500.00+	
1,500 shares - Guilford Mills, Inc.	39,000.00+	
	<hr/>	\$ 42,700.00

CLOSELY HELD NON-MARKETABLE SECURITIES

50 shares - Martin, Hicks & Ingles, Ltd. (50% interest) (Cost - \$22,500.00)	\$ 220,000.00+	
15 shares - Sea Technology, Ltd. (Cost - \$1,500.00)	1,500,000.00+	
145 shares - White Marsh Farm Corporation (Cost - \$14,500.00) - crops harvested and in field	28,000.00+	
20 shares - The Petsworth Corporation (Cost \$2,000.00)	145,000.00+	
891 shares - Richmond Production Credit Association (Cost - \$9,705.00)	10,100.00+	
50% stock in United Metering Services, Incorporated	200,000.00+	
		\$2,103,100.00



CASH VALUE OF LIFE INSURANCE (before loans, if any)

Estate Life -	\$ 70,000.00
Insured - McClanahan Ingles	
Beneficiary - Estate	
Face Amount - \$70,000.00	
Cash Value - -0-	
Loans against policy - -0-	
First Colony -	75,000.00
Insured - Constance F. Ingles	
Beneficiary - McClanahan Ingles and brothers	
Face Amount - \$75,000.00	
Cash Value - -0-	
Loans against policy - -0-	
First Colony -	50,000.00
Insured - Nathaniel B. Ingles	
Beneficiary - McClanahan Ingles and Breckenridge Ingles	
Face Amount - \$50,000.00	
Cash Value - -0-	
Loans against policy - -0-	

AUTOMOBILES

10 owned	\$ 33,000.00	
	<hr/>	\$ 33,000.00

REAL ESTATE OWNED

88.5 acres, waterfront property, Abingdon Magisterial District, Gloucester County, Virginia	\$ 675,000.00±
.32 interest in office building and lot in Gloucester Courthouse	48,000.00±
.2295 interest in 765 acres, Abingdon Magisterial District, Gloucester County, Virginia, with substantial frontage on U.S. Route 17 recently zoned commercial	900,000.00±
1/2 interest in 8 apartments and 8 parcels of land in York Magisterial District, Gloucester County, Virginia, zoned multi-family	236,000.00±
1/2 interest in 1040.74 acres, Abingdon Magisterial District, Gloucester County, Virginia, with substantial frontage on U.S. Route 17 recently zoned commercial	1,800,000.00±

LIABILITIES

(Figures rounded to nearest \$100.00)

NOTES SECURED

Constance F. Ingles - payable interest only monthly; secured by deed of trust on real property: Loan Balance:	140,000.00 _±
Debts in the name of Middle Peninsula Properties to A. Max Genet and Mildred H. Genet; payable monthly; secured by deed of trust on real estate; Loan Balance:	57,700.00 _±
Debts in the name of Middle Peninsula Properties to Crestar Bank- Commercial Note Loan Balance:	24,500.00 _±
Federal Land Bank of Baltimore - 1/2 interest; payable annually; secured by deed of trust on 1,040.74, Loan Balance: \$210,000.00 2 =	101,700.00 _±
Crestar Bank (formerly United Virginia Bank Gloucester) - payable monthly; secured by deed of trust on 88.5 acres; Loan Balance:	74,800.00 _±
Martin H. Wilcox and Valerie J. Wilcox - note on residence	250,000.00 _±
Diane Walton Settle - note on Booker property	54,600.00 _±
Sperry New Holland - payable semi-annually; TR86 New Holland Combine	35,500.00 _±

\$ 738,800.00

Joint, contingent or guaranteed loans of Sea Technology, Ltd., River Run Corporation, Millwood Land Trust, Knights Run, Ltd., Lower Chesapeake Associates, Willoughby Marina, Inc., The Bays, Ltd., Chapel Neck, Ltd., loan from Federal Land Bank, Middle Peninsula Properties and on Booker property.

TOTAL LIABILITIES:

\$ 738,800.00

REAL ESTATE OWNED continued

1/4 ownership of River Run Corporation and Barn Elms
Land Trust owning real estate and mortgages
connected with development in Middlesex County,
Virginia;

Cash on Hand	\$ 10,600.00	
Mortgages Receivable:	\$130,900.00	
Property still for sale:	145,200.00	
Notes Payable:	87,000.00	
Value of interest:	$\$199,700.00 \div 4 =$	49,900.00+

1/7 interest in mortgages or land sales contracts in
the name of Millwood Land Trust and MLT Corporation;

Cash on Hand	\$ 3,400.00	
Mortgages receivable:	-0-	
Property still for sale:	17,500.00	
Notes payable:	6,300.00	
Value of interest	$\$ 14,600.00 \div 7 =$	2,100.00+

1/2 interest in Knights Run, Ltd. owning real estate
or mortgages in Northumberland County, Virginia;

Cash on Hand	\$ 7,600.00	
Mortgages receivable:	\$297,400.00	
Property still for sale:	161,300.00	
Notes payable:	128,000.00	
Value of interest:	$\$338,300.00 \div 2 =$	169,100.00+

55% interest in Lower Cheasapeake Associates and
Willoughby Marina, Inc. owning a marina facility
in Norfolk, Virginia - based upon asking price of
\$4,400,000

947,400.00+

Contractual rights in remainder of 88.91 acres and
15.62 acres and 7 acres, Westville Magisterial
District, Mathews County, Virginia, titled in
the name of The Bays, Ltd. and Chapel Neck, Ltd.;

Value of interest:		275,000.00+
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"Berkshire" - residence, 9.76 acres, Ware Magisterial
District, Gloucester County, Virginia,

650,000.00+

1/2 interest in 1.51 acres, Abingdon Magisterial
District, Gloucester County Virginia - Booker
property - titled jointly with B. Ingles

120,000.00+

Interest in Invesco Land Trust and Middle Peninsula
Land Trust

525,000.00+

\$6,297,500.00

OTHER ASSETS

Personal Property and Antiques
Farm Equipment

\$ 220,000.00+
237,000.00+

\$ 457,000.00

TOTAL ASSETS:

\$9,101,700.00

CAPITAL

Assets:

\$9,101,700.0

Liabilities:

738,800.0

NET WORTH:

*\$8,362,900.0

ESTIMATED ANNUAL INCOME FOR 1988

Principal Employer - Martin, Hicks & Ingles, Ltd.
and Gloucester Title Company

\$ 134,000.00+

Rental Income

45,000.00+

Income from investments, salaries and consulting
fees from other sources including Sea Technology,
Ltd., United Metering Services, Incorporated,
Lower Chesapeake Associates, White Marsh Farm
Corporation, River Run Corporation, Barn Elms
Land Trust and Knights Run, Ltd.

220,000.00+

Total Annual Income:

\$ 399,000.00+

* This statement does not attempt to estimate any tax liability resulting
from the sale of any asset listed herein.

1-3-89



Personal Financial Statement

CONFIDENTIAL

TO:

Date: January 3, 1990

Full Name: McClanahan Ingles

Taxpayer No.: 228-64-6125

Home Address: P.O. Box 1362, Gloucester, Virginia 23061

Business Address: P.O. Box 708, Gloucester, Virginia 23061

ASSETS

(Figures rounded to nearest \$100.00)

CASH ON HAND AND ON DEPOSIT

Crestar Bank - Checking Account	\$ 63,000.00±
Crestar Bank - Money Market Account	1,200.00±
Central Fidelity Bank - Money Market Account	10,000.00±
First American Bank - Money Market Account	5,600.00±
Prudential Bache - Money Market Account	28,000.00±
	<hr/>
	\$ 107,800.00

NOTES AND ACCOUNTS RECEIVABLE

Constance F. Ingles - two Demand Notes dated April 15, 1982	\$ 45,000.00±
White Marsh Farm Corporation	226,900.00±
Charles Industries, Ltd.	52,500.00
Internal Revenue Service	33,700.00±
Virginia Department of Taxation	8,800.00±
	<hr/>
	\$ 366,900.00

MARKETABLE SECURITIES - U.S. GOVERNMENT AND OTHER

Eldorado Gold and Explorations, Inc.; Thousand Trails, Inc.;	
Pan Am; IGI; First Guardian Petroleum; Nikkei Dow puts;	
Placer Pacific; Borden Chemical puts; Richfood Holdings;	
Auricle Systems puts	
	<hr/>
	\$ 230,000.00±

CLOSELY HELD NON-MARKETABLE SECURITIES

50 shares - Martin, Hicks & Ingles, Ltd. (50% interest) (Cost - \$22,500.00)	\$ 220,000.00 ₊	
15 shares - Sea Technology, Ltd. (Cost - \$1,500.00)	750,000.00 ₊	
145 shares - White Marsh Farm Corporation (Cost - \$14,500.00) - crops harvested and in field	86,000.00 ₊	
20 shares - The Petsworth Corporation and D & I Marine, Inc. (Cost - \$2,000.00)	145,000.00 ₊	
Richmond Production Credit Association	1,000.00 ₊	
		<hr/>
		\$1,202,000.00

CASH VALUE OF LIFE INSURANCE (before loans, if any)

Estate Life -	\$ 70,000.00	
Insured - McClanahan Ingles		
Beneficiary - Estate		
Face Amount - \$70,000.00		
Cash Value - -0-		
Loans against policy - -0-		
First Colony -	75,000.00	
Insured - Constance F. Ingles		
Beneficiary - McClanahan Ingles and brothers		
Face Amount - \$75,000.00		
Cash Value - -0-		
Loans against policy - -0-		
First Colony -	50,000.00	
Insured - Nathaniel B. Ingles		
Beneficiary - McClanahan Ingles and Breckenridge Ingles		
Face Amount - \$50,000.00		
Cash Value - -0-		
Loans against policy - -0-		

AUTOMOBILES

Antiques and other	\$ 33,000.00	
		<hr/>
		\$ 33,000.00

REAL ESTATE OWNED

88.5 acres, waterfront property, Abingdon Magisterial District, Gloucester County, Virginia	\$ 675,000.00 ₊	
.32 interest in office building and lot in Gloucester - Courthouse	56,000.00 ₊	
.2295 interest in 765 acres, Abingdon Magisterial District, Gloucester County, Virginia, with substantial frontage on U.S. Route 17 recently zoned commercial	800,000.00 ₊	
1/2 interest in 8 apartments and 8 parcels of land in York Magisterial District, Gloucester County, Virginia, zoned multi-family	236,000.00 ₊	

REAL ESTATE OWNED continued

1/2 interest in 1040.74 acres, Abingdon Magisterial District, Gloucester County, Virginia, with substantial frontage on U.S. Route 17 recently zoned commercial	1,800,000.00 ₊
1/4 ownership of River Run Corporation and Barn Elms Land Trust owning real estate and mortgages connected with development in Middlesex County, Virginia;	
Cash on Hand	\$ 3,400.00
Mortgages Receivable:	\$ 82,200.00
Property still for sale:	4,500.00
Notes Payable:	4,000.00
Value of interest:	$\$ 86,100.00 \div 4 =$ 21,500.00 ₊
1/7 interest in mortgages or land sales contracts in the name of Millwood Land Trust and MLT Corporation;	
Cash on Hand	\$ -0-
Mortgages receivable:	-0-
Property still for sale:	17,500.00
Notes payable:	-0-
Value of interest	$\$ 17,500.00 \div 7 =$ 2,500.00 ₊
1/2 interest in Knights Run, Ltd. owning real estate or mortgages in Northumberland County, Virginia;	
Cash on Hand	\$ 2,600.00
Mortgages receivable:	\$231,900.00
Property still for sale:	9,000.00
Notes payable:	28,800.00
Value of interest:	$\$ 214,700.00 \div 2 =$ 107,350.00 ₊
55% interest in Lower Cheasapeake Associates and Willoughby Marina, Inc. owning a marina facility in Norfolk, Virginia - based upon asking price of \$4,400,000	947,400.00 ₊
Remainder of "Auburn", Westville Magisterial District, Mathews County, Virginia, titled in the name of The Bays, Ltd.	
Value of interest:	103,000.00 ₊
"Berkshire" - residence, 9.76 acres, Ware Magisterial District, Gloucester County, Virginia,	850,000.00 ₊
1/2 interest in 1.51 acres, Abingdon Magisterial District, Gloucester County Virginia - Booker property - titled jointly with B. Ingles	120,000.00 ₊
Interest in Middle Peninsula Land Trust and Sunset Land Trust and Diversified Investments, Inc.	285,000.00 ₊
20% interest in Farmville Associates - motel/restaurant site - Farmville, Virginia	40,000.00 ₊

\$6,043,750.00

OTHER ASSETS

Personal Property and Antiques	\$ 240,000.00±	
Farm Equipment	237,000.00±	
Defined Benefit Pension Plan and Trust	57,000.00±	
	<hr/>	\$ 534,000.00
TOTAL ASSETS:		<hr/> \$8,517,450.00

LIABILITIES

(Figures rounded to nearest \$100.00)

NOTES SECURED

Constance F. Ingles - payable interest only monthly; secured by deed of trust on real property: Loan Balance:	140,000.00±
Debts in the name of Middle Peninsula Properties to A. Max Genet and Mildred H. Genet; payable monthly; secured by deed of trust on real estate; Loan Balance:	54,600.00±
Debts in the name of Middle Peninsula Properties to Crestar Bank- Commercial Note Loan Balance:	24,500.00±
Federal Land Bank of Baltimore - 1/2 interest; payable annually; secured by deed of trust on 1,040.74, Loan Balance: \$196,100.00 2 =	98,050.00±
Crestar Bank (formerly United Virginia Bank Gloucester) - payable monthly; secured by deed of trust on 88.5 acres; Loan Balance:	71,900.00±
Martin H. Wilcox and Valerie J. Wilcox - note on residence	150,000.00±
Diane Walton Settle - note on Booker property	52,400.00±
Sperry New Holland - payable semi-annually; TR86 New Holland Combine	17,700.00±

TOTAL LIABILITIES:	\$ 609,150.00
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Joint, contingent or guaranteed loans of Sea Technology, Ltd., River Run Corporation, Millwood Land Trust, Knights Run, Ltd., Lower Chesapeake Associates, Willoughby Marina Inc., The Bays, Ltd., Chapel Neck, Ltd., loan from Federal Land Bank, Middle Peninsula Properties, on Booker property, on Farmville Associate, and on Diversified Investments, Inc.

CAPITAL

Assets:	\$8,517,450.00 _±
Liabilities:	609,150.00 _±
	<hr/>
NET WORTH:	*\$7,908,300.00 _±

ESTIMATED ANNUAL INCOME FOR 1989

Principal Employer - Martin, Hicks & Ingles, Ltd. and Gloucester Title Company	\$ 201,000.00 _±
Rental Income	45,000.00 _±
Income from investments, salaries and consulting fees from other sources including Sea Technology, Ltd., United Metering Services, Incorporated, Lower Chesapeake Associates, White Marsh Farm Corporation, River Run Corporation, Barn Elms Land Trust, Knights Run, Ltd., The Bays, Ltd., etc.	<hr/> 550,000.00 _±
Total Annual Income:	\$ 796,000.00 _±

* This statement does not attempt to estimate any tax liability resulting from the sale of any asset listed herein.

This statement is not to be released to any party even under court subpoena without first contacting the undersigned.

Personal Financial Statement

CONFIDENTIAL

TO: Date: January 10, 1991
Full Name: McClanahan Ingles Taxpayer No.: 228-64-6125
Home Address: P.O. Box 1362, Gloucester, Virginia 23061
Business Address: P.O. Box 708, Gloucester, Virginia 23061

ASSETS

(Figures rounded to nearest \$100.00)

CASH ON HAND AND ON DEPOSIT

Crestar Bank - Checking Account	\$ 7,000.00 ₊
Crestar Bank - Money Market Account	115,900.00 ₊
Crestar Bank - Botetourt County Tax Free Bonds	65,000.00 ₊
Crestar Bank - Defined Benefit Pension Plan	39,100.00 ₊
Central Fidelity Bank - Money Market Account	127,000.00 ₊

\$ 354,000.00₊

NOTES AND ACCOUNTS RECEIVABLE

Constance F. Ingles - two Demand Notes dated April 15, 1982	45,000.00 ₊
White Marsh Farm Corporation	201,600.00 ₊
Sea Technology, Ltd.	86,700.00 ₊
Marine Sonic Technology, Ltd.	8,300.00 ₊

\$ 341,600.00₊

MARKETABLE SECURITIES - U.S. GOVERNMENT AND OTHER

Eldorado Gold and Explorations, Inc.; Thousand Trails, Inc.;
IGI; First Guardian Petroleum; Placer Pacific; Arco Chemical,
Battle Mountain Gold, Sunshine Mining, Callahan Mining; Wheat
First Securities Cash Portfolio and Prudential Bache
Commodities Account

\$ 70,000.00₊

CLOSELY HELD NON-MARKETABLE SECURITIES

50 shares - Martin, Hicks & Ingles, Ltd. (50% interest)	
(Basis - \$22,500.00)	\$ 220,000.00 ₊
30 shares - Sea Technology, Ltd. (Basis - \$2,600.00 ₊)	500,000.00 ₊
145 shares - White Marsh Farm Corporation	
(Basis - \$14,500.00)	150,000.00 ₊
20 shares - The Petsworth Corporation (Basis - \$2,000.00)	50,000.00 ₊
Richmond Production Credit Association	1,000.00 ₊
50 shares - Marine Sonic Technology, Ltd.	
(Basis - \$5,000.00)	100,000.00 ₊

\$1,021,000.00₊

(15 shares of Sea Technology, Ltd. stock is currently contested)

CASH VALUE OF LIFE INSURANCE (before loans, if any)

Estate Life -	\$ 70,000.00
Insured - McClanahan Ingles	
Beneficiary - Estate	
Face Amount - \$70,000.00	
Cash Value - -0-	
Loans against policy - -0-	
First Colony -	75,000.00
Insured - Constance F. Ingles	
Beneficiary - McClanahan Ingles and brothers	
Face Amount - \$75,000.00	
Cash Value - -0-	
Loans against policy - -0-	
First Colony -	50,000.00
Insured - Nathaniel B. Ingles	
Beneficiary - McClanahan Ingles and Breckenridge Ingles	
Face Amount - \$50,000.00	
Cash Value - -0-	
Loans against policy - -0-	

AUTOMOBILES

Antiques and other	\$ 33,000.00 ₊
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REAL ESTATE OWNED

3.5 acres, waterfront property, Abindgon Magisterial District, Gloucester County, Virginia	\$ 675,000.00±
.32 interest in office building and lot in Gloucester Courthouse, Gloucester County, Virginia	56,000.00±
.2295 interest in 765 acres, Abindgon Magisterial District, Gloucester County, Virginia, with substantial frontage on U.S. Route 17 recently zoned commercial	800,000.00±
1/2 interest in 8 apartments and 8 parcels of land in York Magisterial District, Gloucester County Virginia, zoned multi-family	200,000.00±
1/2 interest in 1040.74 acres, Abingdon Magisterial District, Gloucester County, Virginia, with substantial frontage on U.S. Route 17, a portion - being zoned commercial	1,800,000.00±
1/4 ownership of River Run Corporation and Barn Elms Land Trust owning real estate and mortgages connected with development in Middlesex County, Virginia:	
Cash on Hand:	\$ 7,700.00
Mortgages Receivable:	\$ 36,300.00
Property for sale:	-0-
Notes Payable:	-0-
Value of interest:	$\$ 44,000.00 \div 4 =$ 11,000.00±
1/2 interest in Knights Run, Ltd. owning real estate or mortgages in Northumberland County, Virginia:	
Cash on Hand:	\$ 7,800.00
Mortgages receivable:	\$139,700.00
Property for sale:	6,000.00
Notes payable:	12,000.00
Value of interest:	$\$ 141,500.00 \div 2 =$ 70,800.00±
55% interest in Lower Cheasapeake Associates and Willoughby Harbor Marina, Inc. owning a marina facility in Norfolk, Virginia - based upon asking price of \$3,900,000.00	770,000.00±
Remainder of "Auburn", Westville Magisterial District, Mathews County, Virginia, titled in the name of The Bays, Ltd.	
Value of interest:	61,000.00±
"Berkshire" - residence, 9.76 acres, Ware Magisterial District, Gloucester County, Virginia	850,000.00±
1/2 interest in 1.51 acres, Abingdon Magisterial District, Gloucester County, Virginia - Booker property - titled jointly with B. Ingles	120,000.00±
Interest in Middle Peninsula Land Trust and Spencer-Tracy Land Trust and Diversified Investments, Inc.	105,000.00±
20% interest in Farmville Associates - Days Inn Motel Farmville, Virginia	40,000.00±

\$5,558,800.00±

OTHER ASSETS

Personal Property and Antiques	\$ 280,000.00±
	<hr/>
TOTAL ASSETS:	\$7,658,400.00±

LIABILITIES

(Figures rounded to nearest \$100.00)

NOTES SECURED

Constance F. Ingles - payable interest only monthly; secured by deed of trust on real property; Loan Balance:	\$ 135,000.00±
Debts in the name of Middle Peninsula Properties to A. Max Genet and Mildred H. Genet; payable monthly; secured by deed of trust on real property; Loan Balance:	51,200.00±
Debts in the name of Middle Peninsula Properties to Crestar Bank - Commercial Note; Loan Balance:	24,500.00±
Federal Land Bank of Baltimore - 1/2 interest; payable annually; secured by deed of trust on 1,040.74 acres; Loan Balance: $\$188,200.00 \div 2 =$	94,100.00±
Crestar Bank (formerly United Virginia Bank Gloucester) payable monthly; secured by deed of trust on 88.5 acres; Loan Balance:	68,700.00±
Martin H. Wilcox and Valerie J. Wilcox - note on residence	140,000.00±
Diane Walton Settle - note on Booker property	50,100.00±
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TOTAL LIABILITIES:	\$ 563,600.00±

Joint, contingent or guaranteed loans of Sea Technology, Ltd., Knights Run, Ltd., Lower Chesapeake Associates, Willoughby Marina, Inc., loan from Federal Land Bank, Middle Peninsula Properties, on Booker property, and on Farmville Associates.

CAPITAL

Assets:	\$7,658,400.00±
Liabilities:	563,600.00±
	<hr/>
NET WORTH:	\$7,094,800.00±

ESTIMATED ANNUAL INCOME FOR 1991

Principal Employer - Martin, Hicks & Ingles, Ltd. and Gloucester Title Company	\$ 110,000.00±
Rental Income	45,000.00±
Income from Investments, salaries, asset sales, notes receivable, and consulting fees from other sources including, but not limited to, Sea Technology, Ltd., Lower Chesapeake Associates, White Marsh Farm Corporation, River Run Corporation, Barn Elms Land Trust, Knights Run, Ltd., The Bays, Ltd, Marine Sonic Technology, Ltd., etc.	420,000.00±
	<hr/>
Total Annual Income:	\$ 575,000.00±

* This statement does not attempt to estimate any tax liability resulting from the sale of any asset listed herein.

McClanahan Ingles

This statement is not to be released to any party even under court subpoena without first contacting the undersigned.

Personal Financial Statement

CONFIDENTIAL

TO:

Date: January 6, 1992

Full Name: McClanahan Ingles

Taxpayer No.: 228-64-6125

Home Address: P.O. Box 1362, Gloucester, Virginia 23061

Business Address: P.O. Box 708, Gloucester, Virginia 23061

ASSETS

(Figures rounded to nearest \$100.00)

CASH ON HAND AND ON DEPOSIT

Crestar Bank - Checking Account	\$ 27,800.00 ₊
Crestar Bank - Money Market Account	44,500.00 ₊
Crestar Bank - Botetourt County Tax Free Bonds	65,000.00 ₊
Crestar Bank - IRA	41,200.00 ₊
Central Fidelity Bank - Money Market Account	58,900.00 ₊
ins	23,000.00 ₊

\$ 260,400.00₊

NOTES AND ACCOUNTS RECEIVABLE

Constance F. Ingles - two Demand Notes dated April 15, 1982	45,000.00 ₊
White Marsh Farm Corporation	197,800.00 ₊
Sea Technology, Ltd.	209,700.00 ₊
Marine Sonic Technology, Ltd.	65,000.00 ₊
IRS and Virginia Department of Taxation	30,000.00 ₊

\$ 547,500.00₊

MARKETABLE SECURITIES - U.S. GOVERNMENT AND OTHER

Eldorado Gold and Explorations, Inc.; Thousand Trails, Inc.;	
First Guardian Petroleum; Battle Mountain Gold, Sunshine Mining,	
Callahan Mining; Wheat First Securities Cash Portfolio and	
Prudential Bache Commodities Account	\$ 25,000.00 ₊

CLOSELY HELD NON-MARKETABLE SECURITIES

50 shares - Martin, Hicks & Ingles, Ltd. (50% interest)	
(Basis - \$22,500.00)	\$ 220,000.00+
30 shares - Sea Technology, Ltd. (Basis - \$2,600.00+)	150,300.00+
Richmond Production Credit Association	1,000.00+
50 shares - Marine Sonic Technology, Ltd.	
(Basis - \$5,000.00)	100,000.00+
150 shares - Silent Options, Inc. (Basis - \$10,000.00)	10,000.00+
25 shares - Chesapeake Financial Associates	
(Basis - \$250.00)	30,000.00+

\$ 511,300.00+

(15 shares of Sea Technology, Ltd. stock is currently contested)

CASH VALUE OF LIFE INSURANCE (before loans, if any)

Estate Life -	\$ 70,000.00
Insured - McClanahan Ingles	
Beneficiary - Estate	
Face Amount - \$70,000.00	
Cash Value - -0-	
Loans against policy - -0-	
First Colony -	75,000.00
Insured - Constance F. Ingles	
Beneficiary - McClanahan Ingles and brothers	
Face Amount - \$75,000.00	
Cash Value - -0-	
Loans against policy - -0-	
First Colony -	50,000.00
Insured - Nathaniel B. Ingles	
Beneficiary - McClanahan Ingles and Breckenridge Ingles	
Face Amount - \$50,000.00	
Cash Value - -0-	
Loans against policy - -0-	

AUTOMOBILES and BOATS

Antiques and other	\$ 51,000.00+
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REAL ESTATE OWNED

88.5 acres, waterfront property, Abindgon Magisterial District, Gloucester County, Virginia	\$ 500,000.00±
.32 interest in office building and lot in Gloucester Courthouse, Gloucester County, Virginia	56,000.00±
.2295 interest in 765 acres, Abindgon Magisterial District, Gloucester County, Virginia, with substantial frontage on U.S. Route 17 recently zoned commercial	640,000.00±
1/2 interest in 8 apartments and 8 parcels of land in York Magisterial District, Gloucester County Virginia, zoned multi-family	200,000.00±
1/2 interest in 1040.74 acres, Abingdon Magisterial District, Gloucester County, Virginia, with substantial frontage on U.S. Route 17, a portion being zoned commercial	1,600,000.00±
1/4 ownership of River Run Corporation and Barn Elms Land Trust owning real estate and mortgages connected with development in Middlesex County, Virginia:	
Cash on Hand: \$ 5,785.00	
Mortgages Receivable: \$ 12,065.00	
Property for sale: -0-	
Notes Payable: -0-	
Value of interest: \$ 17,850.00 ÷ 4 =	4,463.00±
1/2 interest in Knights Run, Ltd. owning real estate or mortgages in Northumberland County, Virginia:	
Cash on Hand: \$ 5,600.00	
Mortgages receivable: \$ 76,340.00	
Property for sale: 6,000.00	
Notes payable: -0-	
Value of interest: \$ 87,940.00 ÷ 2 =	43,970.00±
57.5% interest in Lower Chesapeake Associates and Willoughby Harbor Marina, Inc. owning a marina facility in Norfolk, Virginia - based upon asking price of \$3,500,000.00	575,000.00±
1/3 ownership of The Bays, Ltd. owning real estate or mortgages in Mathews County, Virginia:	
Cash on Hand: \$ 411.00	
Mortgages receivable: 57,155.00	
Property for sale: 93,600.00	
Oyster Grounds 8,000.00	
Value of interest: \$159,166.00 ÷ 3 =	53,000.00±
"Berkshire" - residence, 9.76 acres, Ware Magisterial District, Gloucester County, Virginia	850,000.00±
1/2 interest in 1.51 acres, Abingdon Magisterial District, Gloucester County, Virginia - Booker property - titled jointly with B. Ingles	120,000.00±
Interest in Spencer-Tracy Land Trust	48,400.00±
1/2 interest in waterfront lot on Moyer Road in Newport News, Virginia	48,000.00±

\$4,738,833.00±

OTHER ASSETS

Personal Property and Antiques	\$ 280,000.00±
	<hr/>
TOTAL ASSETS:	\$6,414,033.00±

LIABILITIES

(Figures rounded to nearest \$100.00)

NOTES SECURED

Constance F. Ingles - payable interest only monthly; secured by deed of trust on real property;	
- Loan Balance:	\$ 130,000.00±
Debts in the name of Middle Peninsula Properties to A. Max Genet and Mildred H. Genet; payable monthly; secured by deed of trust on real property; Loan Balance: $\$94,600.00 \div 2 =$	47,300.00±
Debts in the name of Middle Peninsula Properties to Crestar Bank - Commercial Note; Loan Balance: $\$44,000.00 \div 2 =$	22,000.00±
Colonial Farm Credit Association - 1/2 interest; payable annually; secured by deed of trust on 1,040.74 acres; Loan Balance: $\$179,300.00 \div 2 =$	89,650.00±
eststar Bank (formerly United Virginia Bank Gloucester) payable monthly; secured by deed of trust on 88.5 acres; Loan Balance:	65,140.00±
Martin H. Wilcox and Valerie J. Wilcox - note on residence	130,000.00±
Diane Walton Settle - note on Booker property	47,400.00±
	<hr/>
TOTAL LIABILITIES:	\$ 531,490.00±

Joint, contingent or guaranteed loans of Sea Technology, Ltd., D & I Marine, Inc.,
Lower Chesapeake Associates, loan from Colonial Farm Credit Association,
Middle Peninsula Properties, Booker property, and Farmville Motel, Inc.

CAPITAL

Assets:	\$6,414,033.00 _±
Liabilities:	531,490.00 _±
	<hr/>
NET WORTH:	\$5,882,543.00 _±

ESTIMATED ANNUAL INCOME FOR 1992

Principal Employer - Martin, Hicks & Ingles, Ltd. and Gloucester Title Company	\$ 120,000.00 _±
Rental Income	45,000.00 _±
Income from Investments, salaries, asset sales, notes receivable, and consulting fees from other sources including, but not limited to, Sea Technology, Ltd., Lower Chesapeake Associates, White Marsh Farm Corporation, River Run Corporation, Barn Elms Land Trust, Knights Run, Ltd., The Bays, Ltd, Marine Sonic Technology, Ltd., Chesapeake Financial Associates, Silent Options, Inc., Spencer Tracy Land Trust, etc.	 340,000.00
	<hr/>
Total Annual Income:	\$ 505,000.00 _±

* This statement does not attempt to estimate any tax liability resulting from the sale of any asset listed herein.

McClanahan Ingles

To Mac Innes

12/4/89

Present status of Sea Technology Ltd.
Sets and Product

ORDER Positioner Jobs Quoted

				Probability, %
December 1989	—	\$12,687		100
Jan	90	—	8,634	50%
Feb	90	—	20,000	50%
March	90	—	104,784	50%
April	90	—	53,375	50%
May	90	—	6,565	50%
June	90	—	30,774	50%
			236,347	

$$\text{Quota} \times \text{Probability} = 124,767$$

From past history this number will probably be substantially higher but only with an expenditure, shorter and a lot of effort.

We need to spend more money & make design changes to meet the new U.C. Specification. In that we are no longer U.C. listed estimated \$15-20,000

We need to spend about \$75-100,000 on new product tooling — Mini & other product areas if we are going to have a long term viable company.

~~REDACTED~~

Page 1 of 2

PLAINTIFF'S
EXHIBIT 8



C. LUTTO HICKS
MCCLENNAN HICKS
ROBERT D. HICKS
BRECKENRIDGE INGLES

MARTIN, HICKS & INGLES, LTD.
ATTORNEYS AND COUNSELORS AT LAW
COURT CIRCLE, P.O. BOX 708
GLOUCESTER, VIRGINIA 23061

(804) 693-2500 (804) 877-7371
Telefax (804) 693-0122

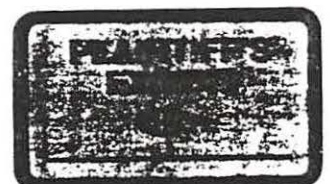
OF COUNSEL
JAMES BLAND MARTIN

FACSIMILE TRANSMITTAL LETTER

To: Bak
Company: _____
Telecopier number: _____
Re: _____
Special Instructions:

From: Mac
Telecopier number: (804) 693-0122
Number of pages (including this transmittal): 14

If you do not receive the number of pages specified, please call
To at (804) 693-2500.



BILL OF SALE AND AGREEMENT

KNOW ALL MEN by these presents that Sea Technology, Ltd., a Virginia corporation having its principal place of business in Gloucester, Virginia, hereinafter referred to as "STL", and Robert C. Dively and McClanahan Ingles as sole shareholders of STL, hereinafter referred to as "Shareholders", and Marine Technologies, Ltd., a Delaware corporation domesticated in the State of Virginia, hereinafter referred to as "MTL", agree as follows:

For and in consideration of the sums of money hereinafter referred to, the receipt of which is hereby acknowledged, does hereby sell, assign, transfer and deliver unto MTL the following described goods and chattels located at the principal place of business of STL and more particularly described on Exhibits "B", "C" and "D" attached hereto:

- | | |
|---|--------------|
| A. Tools, equipment, jigs, fixtures, test sets, molds and dies listed on Exhibit "B" | \$ 93,024.05 |
| B. Raw parts, inventory, inventory in process and finished inventory as determined by a physical inventory conducted on August 31, 1989, and attached to this agreement as Exhibit "C" | 245,207.46 |
| C. Goodwill | 85,000.00 |
| D. Office furniture and equipment listed on Exhibit "D" | 17,561.35 |
| E. General business records, sales records, customer lists, invoices, trade name, sales books, catalogs, engineering drawings, orders pending, sales literatures, specifications, films, purchase orders, art work, know-how, the manufacturing procedures, designs and product information in the hands of STL, use of Sea Technology, Ltd. and SeaTech Dockside trade name, vendor lists and prices | 147,438.65 |

F. The utility and design patent 155,000.00

Total Purchase Price: \$743,231.51

The total purchase price shall be paid as follows:

\$ 200.00 - Deposit paid on 9/8/89

10,000.00 - Deposit paid on 10/13/89

139,800.00 - Deposit paid on 10/27/89

430,000.00 - Paid at closing on _____ (including assumption of debt for inventory of \$100,000.00 and debt for revolving credit line at Crestar Bank of \$180,000.00 referred to below).

The balance of the purchase price (\$163,231.51) will be paid over five (5) years together with interest at the rate of ten percent (10%) per annum paid on a monthly basis commencing April 1, 1990 at \$3,468.19 for sixty (60) consecutive months as evidenced by a promissory note for a total payment including interest of \$208,091.40, said note shall be personally guaranteed by Richard C. Risley, President and sole shareholder of MTL and all stock of MTL shall be placed in escrow pursuant to an Escrow Agreement of even date to be held in escrow until MTL has made all payments due under the terms hereof and as stated in the said Escrow Agreement or until there has been a default with the provisions of the Escrow Agreement controlling the disposition of the stock upon the happening of said events. Any payment received by STL after the 10th of the month shall bear a late payment penalty of five percent (5%) of the installment due.

STL and its shareholders will indemnify and hold MTL harmless from any liability for past accounts of STL and for monies owed its creditors,

except those amounts of supplier invoices not exceeding \$100,000.00 for current inventory and a revolving credit line at Crestar Bank not exceeding \$180,000.00. Such supplier invoices will be paid by MTL within six (6) months of the closing date and the said bank credit line will be paid off or refinanced relieving STL and its guarantors from any further liability regarding same within six (6) months from the date of closing. A full list of creditors is attached to this Bill of Sale as Exhibit "E".

STL hereby transfers and assigns any and all rights it has in U.S. Patent _____ and in U.S. Design Patent _____ to MTL.

The assets of United Metering Services, Incorporated were sold to Charles Industries, Ltd. during the year 1989 and as part of that sales agreement STL agreed to buy in the course of business a total of \$400,000.00 of meters from Charles Industries, Ltd. To date \$102,000.00 have been purchased. STL hereby assigns its interest in the supply agreement dated March 16, 1989 with Charles Industries, Ltd. to MTL.

The above covenants and warranties shall survive closing.

This Agreement shall not be assignable by MTL without the prior express written consent of STL.

This Bill of Sale, including all exhibits which are attached hereto and incorporated herein, constitutes the entire agreement between the parties hereto. This Bill of Sale may not be amended, modified or supplemented except by the written consent of the parties.

Dated this _____ day of _____, 1989.

SEA TECHNOLOGY, LTD.

By _____ (SEAL)
Robert C. Dively, President

ATTEST:

McClanahan Ingles, Secretary

McClanahan Ingles, Shareholder

Robert C. Dively, Shareholder

MARINE TECHNOLOGIES, LTD.

By _____
Richard C. Risley, President

ATTEST:

Secretary

SPECIAL MEETING OF THE STOCKHOLDERS AND DIRECTORS OF
SEA TECHNOLOGY, LTD.

Sea Technology, Ltd., a for profit Virginia corporation, in good standing, held a special meeting of its stockholders and directors on the _____ day of _____, 1989, at the principal office of the corporation in Gloucester, Virginia, at 10:00 a.m. The following stockholders were present in person and represented all of the shares of the corporation as set forth by their names:

Name	No. of Shares
McClanahan Ingles	15
Robert C. Dively	15

All directors of the corporation were present.

Robert C. Dively, President of the corporation, presided over the meeting and McClanahan Ingles, Secretary, recorded the minutes.

The President announced that the purpose of the meeting was to discuss the sale of the assets of the corporation to Marine Technologies, Ltd., a Delaware corporation.

After a thorough discussion of said sale and upon motion duly made and seconded, the following resolution was unanimously passed:

WHEREAS, the Board of Directors and Stockholders of Sea

Technology, Ltd. considers it to be in the best interest of this corporation and its stockholders that this corporation sell its assets to Marine Technologies, Ltd. for the total sum of Seven Hundred Forty Three Thousand Two Hundred Thirty One and 51/100 Dollars (\$743,231.51) pursuant to the terms of the Bill of Sale attached hereto;

It is hereby RESOLVED that the terms of said sale to Marine Technologies, Ltd. are approved and that the President and Secretary of this corporation are hereby authorized and directed to execute and deliver in the name of this corporation the Bill of Sale, a copy of which is attached hereto and marked Exhibit "A", and incorporated herein by reference, and that said officers of this corporation are directed to execute all documents that are necessary and proper to carry out the purpose of the resolution of the sale of the assets of the corporation.

Total Shares Outstanding	Shares Voted For	Shares Voted Against	Shares Not Voting
30	30	-0-	-0-

The undersigned, by their signatures hereto and by their presence at said meeting, do hereby waive any and all written notice of this meeting.

There being no further business to transact, upon motion duly made and seconded, the meeting was adjourned.

Approved this _____ day of _____, 1989.

SEA TECHNOLOGY, LTD.

By _____
Robert C. Dively, President

Attest:

McClanahan Ingles, Secretary

STOCKHOLDERS

McClanahan Ingles

Robert C. Dively

DIRECTORS

McClanahan Ingles

Robert C. Dively

NONCOMPETE AGREEMENT

THIS AGREEMENT, made this _____ day of _____, 1989, between Marine Technologies, Ltd., a corporation organized under the laws of the State of Delaware and domesticated in the State of Virginia, whose principal place of business is located in Gloucester County, Virginia, at Route 17, Ordinary, Virginia 23131, hereinafter referred to as "the Company"; and McClanahan Ingles, P.O. Box 1362, Gloucester, Virginia 23061, hereinafter referred to as "Ingles", and Richard C. Risley, individually, hereinafter referred to as "Risley", provides as follows:

WHEREAS, MTL has this day purchased the assets of Sea Technology, Ltd., and

WHEREAS, MTL recognizing Ingles' expertise pertaining to the business previously engaged in by STL and desiring that Ingles not engage in that business for a certain period of time in the worldwide marketplace previously covered by STL.

NOW, THEREFORE, the parties hereto do hereby agree as follows:

1. Ingles shall be paid compensation by MTL commencing April 1, 1990 through March 1, 1995 of \$3,585.00 per month for sixty (60) months for a total compensation of \$215,100.00. The said compensation shall be paid monthly to Ingles at the following address: P.O. Box 1362, Gloucester, Virginia 23061. Any payment more than five (5) days late shall include a five percent (5%) penalty of the amount then due. If at any time any payment shall be more than sixty (60) days delinquent, Ingles, by notice in writing to the Company, may declare the entire unpaid balance due. If Ingles dies prior to receiving all payments due

hereunder, compensation payments shall continue. Such payments shall be made to Ingles' widow or, if she does not survive him, to his estate in equal monthly installments until the total amount of \$215,100.00 has been paid in full. The parties hereto agree that the term through March of 1995 and the worldwide territory are reasonable in time and in geographic area and that the reasonable value of Ingles' agreement not to compete is \$215,100.00.

2. In return for the amount of compensation stated herein, Ingles agrees that he shall not directly or indirectly either individually or in association with others engage in or become interested in or compete with the Company in owning, manufacturing, developing, managing or consulting with an employee or an independent contractor for business in the sale or manufacture of marine power pedestals or any enhancements or refinements thereto other than the sale of a final product produced by MTL.

3. Any notice, request or demand required or permitted to be given pursuant to this Agreement shall be in writing and delivered by messenger or sent by United States Mail, certified, postage prepaid, return receipt requested, to the following persons at the indicated addresses:

MTL: Marine Technologies, Ltd.

Risley: Richard C. Risley

Ingles: McClanahan Ingles
P.O. Box 1362
Gloucester, Virginia 23061

Any such notice, request or demand, if delivered or mailed (as the case may be) in the manner aforesaid, shall be deemed given on the date hand-delivered at the specified address (whether or not any person is there to receive it) or on the day of deposit in the United States Mail, as the case may be. Either party may, at any time, designate by written notice to any other party (in accordance with the provisions of this paragraph 3) a change in the above address or addresses, but such change shall be binding upon the party to whom it is sent only from and after the date of receipt by such party.

4. This Agreement constitutes the entire agreement between the parties and may not be revised except by written agreement between the parties.

5. This Agreement shall be binding upon the parties and their respective executors, administrators, successors and assigns.

6. This agreement may be executed in two or more counterparts, each of which shall be deemed an original.

7. The said Richard C. Risley, by his signature hereto affixed, does hereby personally guarantee that each and every payment due hereunder shall be made in a due and timely fashion.

Witness the following signatures and seals:

MARINE TECHNOLOGIES, LTD.

By _____ (SEAL.)
Richard C. Risley, President

Richard C. Risley (SEAL)

McClanahan Ingles (SEAL)

STATE OF _____,

CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this ____ day
of _____, 1989, by Richard C. Risley, individually and as
President of Marine Technologies, Ltd.

Notary Public

My Commission expires: _____

STATE OF _____,

CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this ____ day
of _____, 1989, by McClanahan Ingles.

Notary Public

My Commission expires: _____

CONSULTING AGREEMENT

THIS AGREEMENT, made this _____ day of _____, 1989, between Marine Technologies, Ltd., a corporation organized under the laws of the State of Delaware and domesticated in the State of Virginia, whose principal place of business is located in Gloucester County, Virginia, at Route 17, Ordinary, Virginia 23131, hereinafter referred to as "the Company"; and Berkshire Consulting, Inc., a Virginia corporation, whose principal place of business is located in Gloucester County, Virginia, hereinafter referred to as "Berkshire", and Richard C. Risley, individually, hereinafter referred to as "Risley", provides as follows:

WHEREAS, MTL has purchased the assets of Sea Technology, Ltd. pertaining to certain marine products; and

WHEREAS, Berkshire has been formed to engage in the consulting business and MTL wishes to retain the services of Berkshire for certain consulting work upon the terms and conditions herein stated.

NOW, THEREFORE, the parties hereto do hereby agree as follows:

1. MTL employs Berkshire for a period of time commencing April 1, 1990 through March 1, 1995.

2. During said period of time, Berkshire shall be available to provide consulting and advisory advice to MTL, its officers and directors in Gloucester County, Virginia, for a period of time not to exceed ten (10) hours per week.

3. Berkshire shall bear all of its out-of-pocket expenses related to its advisory services and Berkshire shall be deemed an independent contractor.

4. Berkshire shall be paid compensation by MTL commencing April 1, 1990 through March 1, 1995 according to the schedule attached hereto. The said compensation shall be paid monthly to Berkshire at the following address: P.O. Box 708, Gloucester, Virginia 23061. Any payment more than five (5) days late shall include a five percent (5%) penalty of the amount then due. If at any time any payment shall be more than sixty (60) days delinquent, Berkshire, by notice in writing to the Company, may declare the entire unpaid balance due. The parties hereto agree that the reasonable value of this agreement is \$_____.

5. This agreement shall be binding upon the parties and shall

Risley:

Richard C. Risley

Berkshire

Berkshire Consulting, Inc.
P.O. Box 708
Gloucester, Virginia 23061

Any such notice, request or demand, if delivered or mailed (as the case may be) in the manner aforesaid, shall be deemed given on the date _____

hand-delivered at the specified address (whether or not any person is there to receive it) or on the day of deposit in the United States Mail, as the case may be. Either party may, at any time, designate by written notice to any other party (in accordance with the provisions of this Paragraph 6) a change in the above address or addresses, but such change shall be binding upon the party to whom it is sent only from and after the date of receipt by such party.

7. This Agreement constitutes the entire agreement between MTI and Berkshire with respect to its subject matter and this agreement cannot be amended, modified or supplemented in any respect except by subsequent written agreement entered into by all parties hereto.

8. This agreement may be executed in two or more counterparts, each of which shall be deemed an original.

9. The said Richard C. Risley, by his signature hereto affixed, does hereby personally guarantee that each and every payment due hereunder shall be made in a due and timely fashion.

10. This agreement may be terminated only upon payment to Berkshire of the balance of the entire amount due hereunder, i.e.

\$_____.

Witness the following signatures and seals:

MARINE TECHNOLOGIES, LTD.

By _____ (SEAL)
Richard C. Risley, President

Richard C. Risley, Guarantor (SEAL)

STATE OF _____,

CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this _____ day
of _____, 1989, by Richard C. Risley, individually and as
President and sole shareholder of Marine Technologies, Ltd.

Notary Public

My Commission expires: _____

STATE OF _____,

CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this _____ day
of _____, 1989, by Robert C. Dively, President of Sea
Technology, Ltd.

Notary Public

My Commission expires: _____

STATE OF _____,

CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this _____ day
of _____, 1989, by _____, Escrow
Agent.

Notary Public

My Commission expires: _____

Berkshire Consulting, Inc.

By _____ (SEAL)
McClanahan Ingles, President

STATE OF _____,

CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this _____ day
of _____, 1989, by Richard C. Risley, individually and as
President of Marine Technologies, Ltd.

Notary Public

My Commission expires: _____

STATE OF _____,

CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this _____ day
of _____, 1989, by McClanahan Ingles as President of
Berkshire Consulting, Inc.

Notary Public

My Commission expires: _____

THIS AGREEMENT made this ____ day of November, 1989, between MARINE TECHNOLOGIES, LTD., a Delaware corporation domesticated in the State of Virginia and having its principal place of in Gloucester County, Virginia, (hereinafter referred to as MTL); RICHARD C. RISLEY, individually and as sole shareholder and President of MTL (hereinafter referred to as Risley); and SEA TECHNOLOGY, LTD., a Virginia corporation, (hereinafter referred to as STL), provides as follows:

WHEREAS, STL has this day sold its assets to MTL for the sum of Seven Hundred Forty Three Thousand Two Hundred Thirty One and 51/100 Dollars payable as follows:

\$300,000.00	Total Cash
100,000.00	Assumption of debt on payables
180,000.00	Assumption of revolving credit line at Crestar Bank, Gloucester, Virginia
163,231.51	Balance evidenced by a note payable in sixty (60) equal monthly installments of \$3,468.19

and

WHEREAS, the parties hereto wish to assure the obligations of MTL by pledging the stock of MTL in escrow until MTL has paid the \$100,000.00 for the inventory, \$180,000.00 for the revolving credit line with Crestar Bank, Gloucester, Virginia, and has had STL and its guarantors released from any obligation pertaining to said credit line and MTL has paid in full the note held by STL bearing the original principal balance of \$163,231.51.

NOW, THEREFORE, WITNESSETH: That for and in consideration of the premises and of the mutual undertakings of the foregoing transaction, the

consideration and adequacy of which hereby being acknowledged by MTL and Risley, the parties do hereby agree as follows:

1. Risley shall deliver unto _____, hereinafter referred to as "the Escrow Agent", _____ shares of common stock of MTL referred to hereinafter as the "Pledged Stock" to be held and disposed of upon the following terms and conditions. Risley represents that these shares represent all shares issued and outstanding and that no further shares of said stock shall be issued until MTL has completed payment in full of all obligations referred to herein and in the Bill of Sale and Agreement dated November _____, 1989.

2. Risley represents and warrants that none of the Pledged Stock is subject to any assignment, claim, lien, right of setoff, or security instrument of any character prior to the date hereof and that Risley will not hereafter assign, encumber or create any other claim or security interest in the said Pledged Stock during the time it is held by the Escrow Agent.

3. Resignation of the Escrow Agent permitted upon thirty (30) days' written request. Substitution of the Escrow Agent permitted by agreement of STL.

4. The said stock shall be held in escrow by the Escrow Agent until MTL has paid the \$100,000.00 for the inventory, \$180,000.00 for the revolving credit line with Crestar Bank, Gloucester, Virginia, and has had STL and its guarantors released from any obligation pertaining to said credit line and MTL has paid in full the note held by STL bearing the original principal balance of \$163,231.51, at which time the said Pledged Stock shall be returned by the Escrow Agent to Risley provided however,

that in the event any default occurs on the part of MTL as hereinafter defined, the said Pledged Stock shall be immediately transferred to STL upon written notice of said default by STL to Escrow Agent and demand that the Pledged Stock be transferred to STL and the said Escrow Agent is hereby irrevocably constituted and appointed as attorney-in-fact for the said transfer on the books of said corporation with full power of substitution in the premises for said purposes. Said remedy shall not preclude any other remedy available to STL.

5. Escrow Agent to be held harmless if acting in accordance with the terms hereof.

6. Escrow Agent may interplead or seek guidance of the Circuit Court of Gloucester County, Virginia if in doubt as to appropriate actions hereunder.

further obligations pertaining to said credit line within six (6) months of the date of closing; any installment due under the terms of the note from MTL to STL is more than thirty (30) days delinquent and has not been cured within ten (10) days of receipt of written notice from STL; any installment due under the terms of said note from MTL to STL is more than sixty (60) days delinquent.

8. No stock shall be issued or agreed to be issued in MTL and no

stock shall be transferred except the Pledged Stock and only under the terms of this Escrow Agreement until MTL has fulfilled all of its obligations under the terms of the Bill of Sale and Agreement between MTL and STL dated November _____, 1989. No assets of MTL shall be transferred except in the ordinary course of business.

9. The parties hereto agree that the certificates of Pledged Stock shall have stamped on their face the following language:

"This stock is subject to the terms of a certain Escrow Agreement between Marine Technologies, Ltd. and Richard C. Risley, et al. dated November _____, 1989."

10. So long as the Pledged Stock is held in escrow and there has been no default, Risley shall having the voting right of the Pledged Stock.

WITNESS the following signatures and seals:

MARINE TECHNOLOGIES, LTD.

By _____ (SEAL)
Richard C. Risley, President

Richard C. Risley, Individually and
as sole shareholder of Marine
Technologies, Ltd. (SEAL)

SEA TECHNOLOGY, LTD.

By _____ (SEAL)
Robert C. Dively, President

_____, Escrow Agent (SEAL)

BY AND BETWEEN

Marine Technologies, Ltd.,

EMPLOYER,

AND

Robert C. Dively,

EMPLOYEE.

EMPLOYMENT AGREEMENT

KNOW ALL PERSONS BY THESE PRESENTS, that,

WHEREAS, Marine Technologies, Ltd., a duly organized Delaware corporation, having its principal business office located at 101 Brighton Circle, Devon, PA 19333 (hereinafter referred to as "Employer"), has purchased the assets of Sea Technology, Ltd., a duly organized Virginia corporation, engaged in the design, manufacture and sale of certain marine products; and

WHEREAS, Employer is desirous of employing one or more consultants to provide expertise pertaining to the business previously engaged in by Sea Technology, Ltd., upon the terms and conditions as set forth hereafter; and

WHEREAS, Robert C. Dively, whose address is 015 William Allen, Williamsburg, Virginia (hereinafter referred to as "Employee"), having been previously involved in all aspects of the business of the aforesaid Sea Technology, Ltd., particularly

DRAFT

in the creation and design of product, is desirous of being employed by the Employer,

WHEREFORE, in consideration of the mutual promises contained herein, but subject to the conditions set forth hereafter, the Employer and Employee (hereinafter collectively referred to as the "Parties") hereby agree as follows:

SECTION I

TERM OF EMPLOYMENT

The Parties hereby establish an employment relationship between themselves for an initial term of one (1) year commencing upon January ____, 1990, and for successive one-year terms, by mutual agreement of the Parties, unless either party shall give notice the other of its decision not to renew at least thirty (30) days prior to the expiration of the then current term.

SECTION II

DESCRIPTION OF EMPLOYMENT DUTIES

The Employee shall provide consulting services to the Employer, primarily in the area of design and creation of new product. The power to direct, control and supervise the duties to be performed by the Employee, the manner of performance and the time for performance shall be vested in the Board of Directors of the Employer, provided, however, that the Board shall not impose employment duties or constraints of any nature

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which would require the Employee to infringe any applicable law or rule governing professional practice or canons of ethics.

The Employee agrees to keep and maintain (or cause to be kept or maintained) all appropriate and required records relating to all professional services rendered, and to prepare and attend to, in connection with such services, all reports, claims and correspondence necessary.

SECTION III

EMPLOYEE EXPENSES

During the term of this Agreement the Employer shall pay, or reimburse the Employee for, the maintenance of his current health insurance policy, and such other expenses incurred by the Employee in connection with his employment duty, as the Board of Directors of the Employer shall specifically approve, provided, however, that any business expenses incurred by the Employee in connection with said employment duties shall be substantiated by receipts acceptable by the Internal Revenue Service.

[GO ON TO NEXT PAGE]



SECTION IV

FACILITIES AND SERVICES

TO BE PROVIDED BY EMPLOYER

The Employer shall provide, operate and maintain the facilities in which the Employee shall work as reasonably necessary to permit the Employee to perform the employee duties described in Section II above.

SECTION V

LOCATION OF SERVICES RENDERED

The Employee shall provided his services primarily at the principal location of the Employer's business in Gloucester, Virginia, or at any other locations mutually agreed to by both Parties.

SECTION VI

EMPLOYEE BENEFITS

The Employer shall provide Employee with, at a minimum, the same employee benefits generally offered to other professionally salaried employees of the Corporation, including but not limited to, health insurance, sick leave and vacation leave.

SECTION VII

COMPENSATION

The Employer shall pay the Employee a maximum annual salary of Seventy Five Thousand Dollars (\$75,000.00), payable in

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biweekly installments of Two Thousand Eight Hundred Eighty Four and 62/100 (\$2,884.62) Dollars each, based on a forty (40) hour week. In the event that, during any given week, the Employee shall work less than forty (40) hours, then the Employee shall be compensated based on the prorated amount of said biweekly installment.

Additionally, the Employer shall pay the Employee a royalty on all new products designed by the Employee and manufactured for sale by the Employer, said royalty to be an amount equal to five percent (5%) of the first One Million Dollars (\$1,000,000.00) of gross sales of each said new product. If the gross sales of any one of said new product exceeds One Million Dollar (\$1,000,000.00), then the Employee, at his option, shall be entitled to five percent (5%) of the capital stock of the Employer in lieu of said royalty. This stock option right may be exercised by the Employee for one product and one time only.

Upon renewal of this Agreement by the Parties hereto, the compensation to be paid by the Employer to the Employee shall be negotiated and agreed to by the Parties.

Nothing contained in this Agreement shall prevent the Employer from, at any time, paying the Employee additional compensation in the form of bonuses in the event that the Board of Directors of the Employer shall deem it advisable to do so in order to more fully compensate the Employee for services rendered. Provided nevertheless, it is specifically understood

that the Employer is under no obligation to pay such additional compensation.

SECTION VIII

TERMINATION

(1) Termination. This contract may be terminated at any time for the following reasons:

- a) By mutual agreement of the parties;
- b) By Employer for cause; cause shall be defined as malfeasance, misfeasance, misconduct, failure to comply with company policies, rules and regulations as they may be in affect from time to time, failure to comply or perform such duties as from time to time may be assigned by the President and Employee's failure or refusal to faithfully or diligently perform employment duties and/or the provisions of this agreement, or for any lawful reason;
- c) By Employer without cause;
- d) By Employer because of physical or mental incapacity of the Employee; provided that such incapacity is reasonably expected to continue or does in fact continue for more than sixty (60) days; or

Upon termination for any reason, the salary then due to the Employee as of the date of termination shall immediately be paid to the Employee in full. In the event that the termination of the Employee is based upon Section A above (mutual agreement), or Section B above (for cause), then the Employee shall not be entitled to any further compensation, unless otherwise mutually agreed by Employer and Employee at the time of termination. In the event that the termination shall be for any other reason, including Section C (without cause) or Section D (physical or

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mental incapacity of the Employee), then the Employee shall be entitled to continue receiving his salary and other benefits for a period of ninety (90) days from the date of termination, said compensation to be paid by the Employer to the Employee in three (3) equal monthly installments.

SECTION IX

RELATIONSHIP BETWEEN THE PARTIES

The Parties hereto recognize that the Board of Directors of the Employer, in accordance with Delaware Corporation Law, shall manage the business affairs of the Employer. The relationship of the Employer and the Employee is that of an employer and an employee. This Agreement is, in all respects, to be deemed to be for professional services and is a personal service contract. The obligations and duties of the Employee hereunder shall be personal and not assignable or delegable by him in any manner whatsoever.

If required by law, the Employee shall be entitled to participate in any plans, arrangements or distributions by the Employer pertaining to or in connection with any pension, bonus, profit sharing or similar benefits for the regular employees of the Employer. Nothing herein contained shall be construed to give the Employee any interest in any of the assets, tangible or intangible of the Employer.

[GO ON TO NEXT PAGE]

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SECTION X

MISCELLANEOUS PROVISIONS

(1) Waiver of Breach. The waiver by any party hereto of a breach of any provision of this agreement shall not operate or be construed as a waiver of any subsequent breach by any party.

(2) Amendment. No amendment or modification of this agreement shall be deemed effective unless or until executed in writing by the parties hereto with the same formality attending execution of this agreement.

(3) Validity. This agreement having been executed and delivered in the Commonwealth of Virginia shall have its validity, interpretation, performance and enforcement governed by the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the undersigned, Richard C. Risley, acting in his below-stated representative capacity as a duly authorized representative of the Employer, and Robert C. Dively, as an individual, intending this instrument to supersede any previous agreements between the parties, and intending the same

[GO ON TO NEXT PAGE]

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to be a sealed instrument under the laws of the Commonwealth of Virginia, have hereunto executed this Memorandum of Agreement on the ____ day of January, 1990.

FOR THE EMPLOYER,
Marine Technologies, Ltd.

Witnessed by:

By:

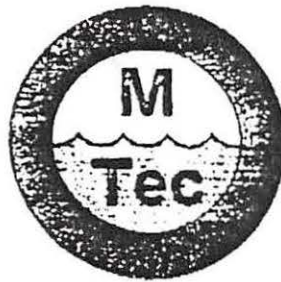
Richard C. Risley, its duly
appointed and authorized
President

FOR THE EMPLOYEE,

Witnessed by:

By:

Robert C. Dively



Innovative Marine Products

FAX COVER SHEET

DATE: Oct 2, 1990

TO: Mr. Dick Nave

COMPANY NAME:

CITY/STATE

FAX #: 804) 753-6456

PHONE #:

FROM: Bob Deady

FAX # (804) 220-3844

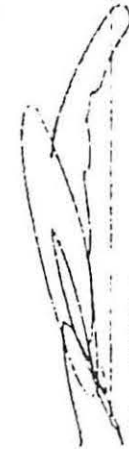
PHONE # (804) 220-5500

SUBJECT:

TOTAL NUMBER OF PAGES IN THIS TRANSMISSION: 12

COMMENTS:



SEA TECHNOLOGY, LTD P. O. BOX 483 GLOUCESTER, VA. 23061		3232
PAY TO THE ORDER OF <i>Wolff and Associates</i> <i>Seven Hundred Eighty and 00/100</i>		<i>Sept 14</i> 19 <i>88</i> 20-186514 \$ <i>750.00</i> DOLLARS
CRESTAR Crestar Bank Richmond, Virginia		
FOR		⑈00003232⑈ ⑈051401865⑈0001869134 000⑈

WOLFF& ASSOCIATES

Actuarial and Retirement Plan Services

15839 Crabbs Branch Way, Suites A-B, Rockville, Maryland 20855 • (301) 971-4277

FOR - SERVICES RENDERED

September 13, 1988

Fee for the design, installation and submission of
the Sea Technology, Inc. Defined Benefit Pension
Plan and Trust.....\$1,500

Amount Deferred Until Completion.....(750)

Amount Due.....\$ 750

Retainer Billing: Due upon receipt.

WOLFE
& ASSOCIATES
Actuarial and Retirement Plan Services

PERSONAL & CONFIDENTIAL

September 13, 1988

Mr. Robert Dively
Sea Technology, Ltd.
Route 17 & 636
Ordinary, Virginia 23131

Dear Mr. Dively:

This letter is to confirm our understanding of the arrangements and terms of our engagement concerning the establishment and annual administration of the Defined Benefit Pension Plan and Trust which your company has requested our firm to design and administer.

We will consult with you and your professional advisors in order to design, establish and submit the Defined Benefit Pension Plan and Trust to the Internal Revenue Service. As well, we will prepare for distribution to your employees the Summary Plan Description (S.P.D.) as required by the Department of Labor, the Notice to Employees and a Qualified Domestic Relations Order Notice. The other administrative forms and documents which will be provided include the documents for Notice and Disclosure as required by the Employees Retirement Income Security Act of 1974 as amended through the most current Law and Regulations which are being reviewed for by the I.R.S. and D.O.L..

In addition, on an annual basis, we will review the balance sheet of the Plan as of its year end, and the related statements of income, fund balances and changes in financial position for the period then ended, for the purpose of preparing an annual report on it. Our report will be in accordance with generally accepted administration standards and, accordingly, will include such other administration procedures that we consider necessary in the circumstances.

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Our review will not be designed, nor should it be relied upon, to disclose fraud or other irregularities; however, we will inform you of any such matters that come to our attention. We will also prepare the Federal report/returns for the year then ended for the plan.

Our fees for services rendered are based upon the understanding that your accounting records will be in good order and that the supporting data are readily available. We reserve the right to pass on our costs should this not be the case, as well as the costs to collect any unpaid fees, including reasonable attorney's fees, once you have engaged us for these services. The annual fee for the services will be due at the close of each plan year. Our fees do not include any filing fees from the I.R.S. or other government agency as required by law. Our fee for these services will be:

Establishment of	
Defined Benefit Pension Plan and Trust	\$1,500.00
Annual Administration of	
Defined Benefit Pension Plan and Trust	\$ 700.00
Participant* Account Charges- \$15.00/each	6 - 100
Participant* Account Charges- \$ 5.00/each	101 and Over
*As defined on the Schedule of Fees in the Wolff & Associates brochure, which you acknowledge receipt of in executing this agreement.	

If you agree with and accept this proposal, please sign the enclosed copy in the space provided and return it with your remittance in consideration of the enclosed invoice herewith. The annual administration portion of this agreement will renew each year unless terminated prior to thirty (30) days of the Plan's year-end by either party with written notice by Certified Mail to the other party's last known address. If you have any questions, please do not hesitate to call.

We look forward to being of service to your company.

Very Truly Yours,
WOLFF AND ASSOCIATES

By: Robert A. Wolff

Accepted: FOR
SEA TECHNOLOGY, LTD.

FOR THE ESTABLISHMENT OF A DEFINED BENEFIT PENSION PLAN'S TRUST

By: [Signature]

Date: 9/14/88

810

WOLFF
& ASSOCIATES
Actuarial and Retirement Plan Services

New
ANALYSIS INFORMATION SHEET

Date: 10/04/88
Plan Year End of Fir
Admin. to be done: 12/31/87

Precise Name of Corporation: MCCLANAHAN INGLE
Address: P.O. BOX 708; MAIN STREET AT COURT CIRC
GLOUCESTER, VA. GLOUCESTER 2306
Telephone: (804) 693-2500 Co. Contact: MR. INGLES

Corporate ID NO.: CAN ACCT. ROSS-MILLER Bus. Code: SOLE-PROP.
Corporate Yr. End: 12/31 State of Inc.: VA.

Officers: SOLE - PROP. % Stk. Directors:
Pres.: _____
V.P.: _____
Sec: _____
Treas.: _____

Precise Name of Plan: MCCLANAHAN INGLE RETIREMENT PLAN
Precise Name of Trust: SAME PENSION PLAN AND TRST
Plan Number: 001
Effec. Date of Plan: 01/01/87 Plan Yr. End: 12/31

Plan Admin: SAME AS
Address: EMPLOYER Tel. No.: () SAME
ID No.: ✓
Date of Last SPD: ✓

Trustees: MCCLANAHAN INGLE Trust ID #: (APPT FOR)
SPOUSE (?)
Lorraine J. Ingles

Bond Information: Amt. \$ NOT NEEDED Company: N/A

NOTE: MUST AM BE TO DOB - 12/17/46; DOB 08/17/48
Items Done: CHEN BY File 10/17/88 811 NET "C" = \$90,000.
ADMINISTRATION LIST UPDATE CONT. = \$40,000.
ROLDEX/FILEBOX CARDS MAIL PLAN, ADMIN. & AD
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WOLFF
& ASSOCIATES
Actuarial and Retirement Plan Services

PERSONAL & CONFIDENTIAL

October 7, 1988


Mr. McClanahan Ingles
Main Street at Court Circle
P.O. Box 708
Gloucester, Virginia 23061

Dear Mr. Ingles:

As per your recent telephone conversation with Robert Wolff; please find enclosed the Defined Benefit Pension Plan and Trust for the company. The bound copy of the Plan should be retained in your records. As well, the Summary Plan Description should be copied and distributed to your employees for their information and the bound copy should be retained in your records. The unbound copy of the Plan Document should be executed as indicated by the instructions prior to forwarding to the I.R.S.. Please have the indicated parties sign and (date) the document as indicated. The following pages should be signed and/or dated:

Form 2848- Power of Attorney- The Principal should sign twice at the bottom of the page;
Form 5301- Application for Determination for Defined Contribution Plans- The Principal should sign at the bottom;
Certificate of Adopting Resolutions- The Principal should sign the second page;
Last Page of the Document- The Principal should sign once as Employer and each Trustee should sign once as Trustee.

As well, I.R.S. has initiated a submission fee of \$400.00/ document as described by the Form 8717. Please prepare for submission to the I.R.S. with the document one (1) check made out to I.R.S. for \$400.00.

Once you have executed the document, please submit the document with the aforementioned check to the Internal Revenue Service in the enclosed self-addressed envelope. Please retain copies of all the signature pages and forward them to this office for retention in your file. Also, please attach to the document a copy of both Personal Tax Return Extensions which you submitted to I.R.S. for the year ended 31 December 1987. Please note that this Plan Document must be submitted to the Internal Revenue Service by 17 October 1988. 

Also, please find enclosed a Form SS-4- Application for Employer Identification Number which needs to be signed and dated as indicated. Please note that this will secure a Trust ID. number for the Plan which should be used in opening any accounts for Trust monies. As well, there is enclosed an additional Form SS-4 which requires your signature and the date and this will secure an Employer ID. number for your sole-proprietorship. Please notify this office when you have received these numbers so that we may make note of them in your file. Also, please find enclosed the self-addressed envelope in which each form should be submitted to the I.R.S. Please also forward to this office the copies of each form.

Please find enclosed a revised Retainer Agreement for our firm to complete this work for your company. Please sign and date the copy and return in the enclosed self-addressed envelope with the indicated remittance. The original is for your records.

If you should have any questions in regard to the above, please do not hesitate to contact me at your convenience.

Sincerely,

Dolores V. Duran
Director of
Plan Development

Amesbury, Mass., June 10, 1897.

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 094: Number
 095: Number
 096: Number
 097: Number
 098: Number
 099: Number
 100: Number

[illegible][illegible][illegible][illegible]

• Interpretation

Figure 1

User fees are not refundable for requests that are returned to the submitter as incomplete. If you resubmit the request within 90 days of the date it is returned, no additional payment will be due. However, if you resubmit your request more than 90 days after the date it is returned, another user fee payment is required.

142112

122-221

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ATTACHED FILES

List of missing items

We cannot process this application without the employer identification number. Please enter the number on the appropriate line of the application.

Internal Revenue Service
District Director

Department of the Treasury

31 HOPKINS PLAZA
BALTIMORE, MD 21201-0000

MCCLANAHAN INGLES
C/O DOLORES A WOLFF
WOLFF AND ASSOCIATES
15889 CRABBS BRANCH WAY A-B
ROCKVILLE, MD 20855-0000

Date of this Notice:
DEC. 16, 1988
Person to Contact:
W E SCHLEGEL
Telephone Number:
(301) 962-2590
Case Number:
521593176
File Folder Number:
520021340
Days to Process: 145
Plan Name:
DEFINED BENEFIT PENSION PLAN AND
TRUST
Plan Number: 001

--

DEFERRED COMPENSATION PLAN

We have received your application for a determination or opinion letter concerning your deferred compensation plan and have assigned it the case number listed above. You should refer to that number in any communication with us concerning your application.

We will review your plan and send a reply as soon as possible. However, we must process applications in the order that we receive them.

You may normally expect to hear from us within the above processing time. If you do not hear from us within that period and choose to write again, please include a copy of this letter with your correspondence. Also, please provide a telephone number and the most convenient time to call if we need to contact you.

Thank you for your cooperation.

Service
Director

Department of the Treasury

104
11101-0000

INGLES
4 00LFF
ASSOCIATES
3 BRANCH WAY A-B
RD 10855-0000

Employer Identification Number:
31-1593176
File Folder Number:
310021340
Person to Contact:
R ROVITO
Contact Telephone Number:
(301) 962-3688
Plan Name:
MCCLANAHAN INGLES DEFINED BENEFIT
PLAN AND TRUST
Plan Number: 001

ent:

On the information supplied, we have made a favorable determination
location identified above. Please keep this letter in your perma-
nent file.

Our qualification of the plan will depend on its effect in operation
present form. (See section 1.401-1(b)(3) of the Income Tax Regula-
tion. The status of the plan in operation will be reviewed periodically.

The enclosed document describes the impact of Notice 86-13 and some events
which occur after you receive this letter that would automatically nullify
specific notice from us. The document also explains how operation
may affect a favorable determination letter, and contains informa-
tion regarding filing requirements.

This letter relates only to the status of your plan under the Internal
Revenue Code. It is not a determination regarding the effect of other Federal
statutes.

We sent a copy of this letter to your representative as indicated in
the enclosed letter.

This determination letter is applicable for the plan adopted on

If you have any questions concerning this matter, please contact the
person whose name and telephone number are shown above.

Sincerely yours,


District Director

ie
days from
over,
return.

User Fee for Employee Plan Determination Letter Request

Attach to determination letter applications.

For IRS Use Only
Control number 9404
Amount paid 400.00
User fee screener PS.

1 Sponsor's name McClanahan Ingles		2 Sponsor's employer identification number 52-1593176
3 Plan name McClanahan Ingles Defined Benefit Pension Plan and Trust		4 Plan number 001

5 Type of request (check only one box and include a check or money order made payable to Internal Revenue Service for the amount indicated)

a <input checked="" type="checkbox"/> Form 5300 for plan with fewer than 100 participants	\$ 400
b <input type="checkbox"/> Form 5301 for plan with fewer than 100 participants	400
c <input type="checkbox"/> Form 5300 for plan with 100 or more participants	600
d <input type="checkbox"/> Form 5301 for plan with 100 or more participants	600
e <input type="checkbox"/> Form 5310 (for plan terminations only) with fewer than 100 participants	200
f <input type="checkbox"/> Form 5310 (for plan terminations only) with 100 or more participants	350
<i>Note: For user fee purposes the total number of participants is the same number of participants entered on line 11k of Form 5300 or Form 5301 or on line 16(g) of Form 5310.</i>	
g <input type="checkbox"/> Form 5303	500
h <input type="checkbox"/> Form 5307	100
i <input type="checkbox"/> Form 6406	100
j <input type="checkbox"/> Form 4461 or Form 4461-A (Uniform Plans only)	500
k <input type="checkbox"/> Group trust	400

RECEIVED
OCT 17 1988
EP/EO DIVISION
RECORDS UNIT
BALTIMORE

Instructions

The Revenue Act of 1987 requires payment of a user fee for determination letter requests submitted to the Internal Revenue Service. The fee must accompany each request submitted to a key district office with a postmark date or receipt date (if not mailed) after January 31, 1988.

The fee for each type of request for an employee plan determination letter is listed in item 5 of this form. Check the block that describes the type of request you are submitting, and attach this form to the front of your request form along with a check or money order for the amount indicated. Make the check or money order payable to the Internal Revenue Service.

Determination letter requests received with no payment or with an insufficient payment will be returned to the applicant and will have to be resubmitted with the proper fee.

To avoid delays in receiving a determination letter, please be sure that the

proper application is sent to the appropriate address from the list shown below. Restated plans and plans amended to comply with the Tax Reform Act of 1986 will not be accepted on Form 6406, Short Form Application for Determination for Amendment of Employee Benefit Plan. Nor will a multiple plan (e.g., a profit-sharing and a money purchase plan) be accepted on one application form.

If entity is in this
IRS District

Send fee and request
for determination letter
or notification letter to
this address

Brooklyn, Albany, Augusta,
Boston, Buffalo, Burlington,
Hartford, Manhattan,
Portsmouth, Providence

Internal Revenue Service
EP/EO Division
P. O. Box 1680, GPO
Brooklyn, NY 11202

Baltimore, District of Columbia,
Pittsburgh, Richmond, Newark,
Philadelphia, Wilmington, any
U.S. possession or foreign
country

Internal Revenue Service
EP/EO Division
P. O. Box 17010
Baltimore, MD 21203

Cincinnati, Cleveland,
Detroit, Indianapolis,
Louisville, Parkersburg

Internal Revenue Service
EP/EO Division
P. O. Box 3159
Cincinnati, OH 45201

Dallas, Albuquerque, Austin,
Cheyenne, Denver, Houston,
Oklahoma City, Phoenix, Salt
Lake City, Wichita

Internal Revenue Service
EP/EO Division
Mail Code 4950 DAL
1100 Commerce Street
Dallas, TX 75242

Atlanta, Birmingham,
Columbia, Ft. Lauderdale,
Greensboro, Jackson,
Jacksonville, Little Rock,
Nashville, New Orleans

Internal Revenue Service
EP/EO Division
Room 1112
P. O. Box 941
Atlanta, GA 30301

Honolulu, Laguna Niguel, Las
Vegas, Los Angeles, San Jose

Internal Revenue Service
EP Application Receiving
Room 5127
P. O. Box 536
Los Angeles, CA
90053-0536

Chicago, Aberdeen, Des
Moines, Fargo, Helena,
Milwaukee, Omaha, St.
Louis, St. Paul, Springfield

Internal Revenue Service
EP/EO Division
230 S. Dearborn OPN 20-6
Chicago, IL 60604

Sacramento, San Francisco

Internal Revenue Service
EP Application Receiving
Stop SF 4446
P. O. Box 36001
San Francisco, CA 94102

Anchorage, Boise, Portland,
Seattle

Internal Revenue Service
EP Application Receiving
P. O. Box 21224
Seattle, WA 98111

Attach Check or
Money Order Here

Power of Attorney and Declaration of Representative

CMB No. 1545-0150
Expires: 12-31-90

▶ See separate instructions.

Part I Power of Attorney		For IRS Use Only	
(Please type or print)	Taxpayer(s) name(s) McClanahan Ingles	Taxpayer identification number 62-1593176	File No. Level Receipt Powers Blind T. Action Ret. Ind.
	Address (number and street) Main Street at Court Circle; P.O. Box 708	Plan number (if applicable) 001	
	City, state, and ZIP code Gloucester, Virginia 23061	Telephone number (804) 693-2500	

I hereby appoint(s) the following individual(s)*

Name	CAF Number	Address	Telephone Number
Robert A. Wolff	2605-10439R	c/o Wolff & Associates	(301) 921-4277
Dolores V. Duran	2605-23608R	15889 Crabbs Branch Way, #A-8 Rockville, Maryland 20855	

as attorney(s)-in-fact to represent the taxpayer(s) before any office of the Internal Revenue Service for the following tax matter(s) (specify the type(s) of tax and year(s) or period(s) (date of death if estate tax)):

Type of tax (Individual, corporate, etc.)	Federal tax form number (1040, 1120, etc.)	Year(s) or period(s) (Date of death if estate tax)
Qualified Retirement Plan	5300 and Related Schedules	1987 and Thereafter

The attorney(s)-in-fact (or either of them) are authorized, subject to revocation, to receive confidential information and to perform any and all acts that the principal(s) can perform with respect to the above specified tax matters (excluding the power to receive refund checks and the power to sign the return, unless specifically granted below). See Regulations section 1.6012-1(a)(5) for information on returns made by agents. (List excludable powers below. Indicate if you are granting the power to sign the return.)

- ☐ Send originals of all notices and all other written communications in proceedings involving the above tax matters to the appointee first named above, and a duplicate copy of all notices and all other written communications to the taxpayer named above, or
- ☒ Send copies of all notices and all other written communications addressed to the taxpayer(s) in proceedings involving the above tax matters to:
- ☐ the appointee first named above, or
 - ☒ (names of not more than two of the appointees named above) ... Robert A. Wolff; Dolores V. Duran

Initial here ▶ if you are granting the power to receive, but not to endorse or cash, refund checks for the above tax matters to:

- ☐ the appointee first named above, or N/A
- ☐ (name of one of the above designated appointees) ▶

This power of attorney revokes all earlier powers of attorney and tax information authorizations on file with the Internal Revenue Service for the same tax matters and years or periods covered by this power of attorney, except the following:

(Specify to whom granted, date, and address including ZIP code, or refer to attached copies of earlier powers and authorizations.)

Signature of or for taxpayer(s)

(If signed by a corporate officer, partner, or fiduciary on behalf of the taxpayer, I certify that I have the authority to execute this power of attorney on behalf of the taxpayer.)

NOTE: → (Signature) Employer 10/10/88
(Title, if applicable) (Date)

TE: → (Signature) Owner 10/10/88
(Title, if applicable) (Date)

* You may authorize an organization, firm, or partnership to receive confidential information, but your representative must be an individual who must complete Part II.

Application for
Determination for Defined Benefit Plan
For Pension Plans Other Than Money Purchase Plans
Under sections 401(a) and 501(a) of the Internal Revenue Code

CMS No. 1545-0197
Expires 9-30-88

For IRS Use Only
File folder number 540021340
Case number

Church and governmental plans not subject to ERISA need not complete lines 4d, 4e, 10, 11, 12b, 12c, and 15.

CAUTION: All other plans must complete all lines except as indicated on specific lines. For example, if you answer "No" to line 7, you need not complete lines 7a and 7b since they require responses only if you answer "Yes" to line 7. N/A is only an acceptable answer if an N/A block is provided. All applications are now computer screened, therefore it is important that you provide all the information requested and have the application signed by the employer, plan administrator, or authorized representative. Otherwise, we may need to correspond with you or return your application for completion, which will delay its processing.

McClanahan Ingles

Main Street at Court Circle, P.O. Box 708
Gloucester, Virginia 23061

1 b Employer identification no.
52-1593176
c Employer's tax year ends
December 31st
Month
Telephone number
(804) 693-2500

OCT 17 1988

EMPLOYER DIVISION
RECORDS UNIT

2 Person to be contacted if more information is needed (See Specific Instructions) (If "Same as 1a," enter "same as 1a.")

Robert A. Wolff; Dolores V. Duran
c/o Wolff & Associates
15889 Crabbs Branch Way, #A-B
Rockville, Maryland 20855 (301) 921-4277

NOTE: Determination requested for (check applicable boxes) See instruction 8, "What to File."
Date plan signed 12/30/87 Date plan effective January 1, 1987

(iii) ☐ Amendment after initial qualification--Is plan restated? ☐ Yes ☐ No Date amendment signed
Date amendment effective Date plan effective

(iv) ☐ Affiliated service group status (section 414(m))-- Date effective Date plan effective

(v) ☐ Partial termination-- Date effective Date plan effective

b Enter IRS file folder number shown on the last determination letter issued to the plan sponsor ☒ N/A

c Is this application also expected to satisfy the notice requirement for this plan for merger, consolidation, or transfer of plan assets or changes involving another plan? See Specific Instructions ☐ Yes ☒ No

d Were employees who are interested parties given the required notification of the filing of this application? ☒ Yes ☐ No

e Is this plan or trust currently under examination, or is any issue related to this plan or trust currently pending before the Internal Revenue Service, the Department of Labor, the Pension Benefit Guaranty Corporation, or any court? ☐ Yes ☒ No

If "Yes," attach explanation.

McClanahan Ingles
Defined Benefit Pension Plan and Trust

b Plan number 001
c Plan year ends December 31st

5 Are there other qualified plans? Do not consider plans that were established under union-negotiated agreements that involved other employers. ☐ Yes ☒ No
If "Yes," enter for each other qualified plan you maintain:

a Name of plan
b Type of plan
c Rate of employer contribution ☐ N/A
d Allocation formula ☐ N/A
e Benefit formula or monthly benefit ☐ N/A
f Number of participants

6 Type of entity (check only one box. (If b, c, or d is checked, see instructions.)
a ☐ Corporation b ☐ Subchapter S corporation c ☒ Sole proprietor d ☐ Partnership
e ☐ Tax exempt organization f ☐ Church g ☐ Governmental organization
h ☐ Other (specify)

7 Is this an adoption of a master or prototype plan? ☐ Yes ☒ No
If "Yes," complete 8 and 9.

a Name of plan b Notification letter no.

8 a Type of plan (i) ☒ Fixed benefit (ii) ☐ Unit benefit
(iii) ☐ Flat benefit (iv) ☐ Other (specify) b Does plan provide for variable benefits? ☐ Yes ☒ No

c Is this a defined benefit plan covered under the Pension Benefit Guaranty Corporation insurance program? ☐ Yes ☒ No ☐ Not determined

Under penalties of perjury, I declare that I have examined this application, including accompanying statements, and to the best of my knowledge and belief it is true, correct, and complete.

Signature: [Signature] Title: Owner Date: 10/10/88

(Section references are to the Internal Revenue Code, unless otherwise noted.)

Where applicable, indicate the article or section and page number of the plan or trust where the following provisions are contained. N/A (not applicable) is an appropriate response only if an "N/A" block is provided.

Section and Page Number	
<p>9 a General eligibility requirements: (Check box (i), (ii), (iii) or (iv) and complete (v), (vi) and (vii).)</p> <p>(i) <input type="checkbox"/> All employees (ii) <input type="checkbox"/> Hourly rate employees only (iii) <input type="checkbox"/> Salaried employees only</p> <p>(iv) <input checked="" type="checkbox"/> Other (specify) Emp not covd by coll barg agreement</p> <p>(v) Length of service (number of years) two(2) Years <input type="checkbox"/> N/A</p> <p>(vi) Minimum age (specify) 21st <input type="checkbox"/> N/A</p> <p>(vii) Maximum age (specify) <input checked="" type="checkbox"/> N/A</p> <p>b Does any plan amendment since the last determination letter change the method of crediting service for eligibility? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p>	<p>1.17p 4</p> <p>3.1p21</p> <p>3.1p21</p>
<p>10 Participation (see Specific Instructions):</p> <p>a (i) Is the employer a member of an affiliated service group? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Certain</p> <p>(ii) If your answer is "No," go to 10b.</p> <p>(iii) Did a prior ruling letter rule on what organizations were members of the employer's affiliated service group, or did the employer receive a determination letter on this plan that considered the effect of section 414(m) on this plan? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Certain</p> <p>(iii) If (ii) is "Yes," have the facts on which that letter was based materially changed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Certain</p> <p>b Is the employer a member of a controlled group of corporations or a group of trades or businesses under common control? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Certain</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p>
<p>11 Coverage of plan at (give date). <u>12-31-87</u> (Attach Form(s) 5302 as necessary--see instructions.)</p> <p>(If the employer is a member of an affiliated service group, controlled group of corporations, or a group of trades or businesses under common control, employees of all members of the group must be considered in completing the following schedule.)</p> <p>a Total employee (see Specific Instructions) (include all self-employed individuals) <u>1</u></p> <p>b Statutory exclusions under this plan (do not count an employee more than once):</p> <p>(i) Number excluded because of age or years of service required <u>0</u></p> <p>(ii) Number excluded because of employees included in collective bargaining <u>0</u></p> <p>(iii) Number of other employees excluded (specify) <u>0</u></p> <p>c Total statutory exclusions under this plan (add lines b(i) through (iii)) <u>0</u></p> <p>d Employees not excluded under the statute (subtract line c from line a) <u>1</u></p> <p>e Other employees ineligible under terms of this plan (do not count an employee included in line b) <u>0</u></p> <p>f Employees eligible to participate (subtract line e from line d) <u>1</u></p> <p>g Number of employees participating in this plan <u>1</u></p> <p>h Percent of nonexcluded employees who are participating (divide line g by line d) <u>100</u> %</p> <p>If line h is 70% or more, go to line k.</p> <p>i Percent of nonexcluded employees who are eligible to participate (divide line f by line d) <u>N/A</u> %</p> <p>j Percent of eligible employees who are participating (divide line g by line f) <u>100</u> %</p> <p>If lines h and i are less than 70% or line j is less than 80%, see Specific Instructions and attach schedule of information.</p> <p>k Total number of participants in this plan (include certain retired and terminated employees (see Specific Instructions)) <u>1</u></p> <p>l Has a plan amendment since the last determination letter resulted in exclusion of previously covered employees? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p>	<p>Number</p> <p>Enter "0" if N/A</p>
<p>12 Does the plan define the following terms:</p> <p>a Compensation (earned income if applicable)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>b Break in service? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>c Hour of service (under Department of Labor Regulations)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>d Joint and survivor annuity? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>e Normal retirement age? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>f Year of service? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p>g Entry date? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>	<p>1.12p 3</p> <p>1.30p 7</p> <p>1.24p 5</p> <p>5.7p 4</p> <p>1.29p 7</p> <p>1.52p 10</p> <p>3.1p21</p>

		Yes	No	N/A	Section and Page Number
13	Employee contributions				
a	(i) Does the plan document allow voluntary deductible employee contributions?		X		
	(ii) If "Yes," are the voluntary deductible employee contributions appropriately limited?		N/A		
	Are voluntary nondeductible contributions limited for all qualified plans to 10% or less of compensation?			X	
c	Are employee contributions nonforfeitable?			X	
14	Integration				
	Is this plan integrated with social security or railroad retirement?				
	If "Yes," attach a schedule of compliance with Rev. Rul. 71-448 (see Specific Instructions).				
15	Vesting				
a	Are years of service with other members of a controlled group of corporations, trades or businesses under common control, or an affiliated service group counted for vesting and eligibility to participate?	X			1.52p10
b	Is employee's right to normal retirement benefits nonforfeitable on reaching normal retirement age as defined in section 411(a)(10)?	X			1.29p 7
c	Does any amendment to the plan decrease any participant's accrued benefit?			X	8.1p61
d	Does any amendment to the plan directly or indirectly affect the computation of the nonforfeitable percentage of a participant's accrued benefit?			X	5.6(c)p33
e	Does the plan preclude forfeiture of an employee's vested benefits for cause?	X			11.6p68
f	Check only one of these boxes to indicate the vesting provisions of the plan:				5.6(b)p33
	(i) <input checked="" type="checkbox"/> Full and immediate.				
	(ii) <input type="checkbox"/> Full vesting after 10 years of service; i.e., no vesting for the first 9 years, 100% after 10 years (section 411(a)(2)(A)).				
	(iii) <input type="checkbox"/> 5- to 15-year vesting (section 411(a)(2)(B)).				
	(iv) <input type="checkbox"/> Rule of 45 (section 411(a)(2)(C)).				
	(v) <input type="checkbox"/> 4/40 vesting (Rev. Procs. 75-49 and 78-11).				
	(vi) <input type="checkbox"/> 10% vesting for each year of service (not to exceed 100%).				
	(vii) <input type="checkbox"/> Other (specify—see Specific Instructions and attach schedule).				
	Administration				
a	Type of funding entity:				
	(i) <input type="checkbox"/> Trust Benefits provided in whole from trust funds.				
	(ii) <input type="checkbox"/> Custodial account described in section 401(f) and not included in (iv) below.				
	(iii) <input checked="" type="checkbox"/> Trust or arrangement providing benefits partially through insurance and/or annuity contracts.				7.2p52
	(iv) <input type="checkbox"/> Trust arrangement providing benefits exclusively through insurance and/or annuity contracts.				
	(v) <input type="checkbox"/> Other (specify)				
b	Does the trust agreement prohibit reversion of funds to the employer? (Rev. Rul. 77-2007.)	X			11.6p68
17	Benefits and requirements for benefits:				
a	Normal retirement age is 65th If applicable, years of service/participation required				10th 1.29p 7
b	Does the plan contain an early retirement provision?				
	If "Yes," (i) Early retirement age is				
	(ii) Years of service/participation required				
c	Does the plan provide for payment of benefits according to section 401(a)(14)?	X			5.9p42
d	Method of determining accrued benefit				
	Frac. based on Plan Yrs of Svc 3% for ea yr of part.				1.1p 1
	(i) Benefit formula at normal retirement age is 100% for monthly comp				5.1p25
	(ii) Benefit formula at early retirement age is			X	5.1p25
	(iii) Normal form of retirement benefits is Life annuity				5.1p25
e	Does the plan comply with the payment of benefits provisions of section 401(a)(11)?	X			5.7p34
f	Are benefits under the plan definitely determinable at all times (Rev. Rul. 79-307)?	X			1.3p 1
	Are benefits computed on the basis of total compensation?	X			1.12p 3
	If "No," see instructions and attach schedule.				
h	If participants may withdraw their mandatory contributions or earnings, may withdrawn be made without forfeiting vested benefits based on employer contributions?			X	

	Yes	No	N/A	Section and Page Number
17 Benefits and requirements for benefits--(Continued)				
i Does the plan disregard service attributable to a distribution in computing the employer-derived accrued benefit?	X			5.1p25
j If line i is "Yes," does the plan contain provisions that satisfy regulations section 1.411(a)-7(d)(4) or (5)?	X			5.6p33
k Are distributions limited so that no more than incidental death benefits are provided?	X			5.5p29
l Does the plan provide for maximum limitation under section 415?	X			6.1p44
m Does the plan meet the requirements of section 401(a)(12)?	X			10.1p66
n Does the plan prohibit the assignment or alienation of benefits?	X			11.2p66
o Does the plan prohibit distribution of benefits except for retirement, disability, death, plan termination, or termination of employment?	X			5.6p33
p As a result of a plan amendment, has the amount of benefit or rate of accrual of the benefit been reduced?			X	
18 Termination of plan or trust				
a Are the participants' rights to benefits under the plan nonforfeitable (to the extent funded on termination or partial termination of the plan)?	X			9.1p62
b Has the early termination rate been included in the plan regulations section 1.401-4(c)?	X			9.2p63

SCHEDULE T
Form 5300

February 1987

Department of the Treasury
Internal Revenue Service

**Supplemental Application for Approval
of Employee Benefit Plans Under TEFRA,
TRA 1984, REA, and TRA 1986**

Section references are to the Internal Revenue Code unless otherwise noted.

CMB No. 1545-0197
Expires 9-30-88

For IRS Use Only
File Folder Number

Caution: Schedule T must be attached to all termination requests made on Form 5300, 5301, 5303, 5307, or 5406, including requests by adopters of master or prototype plans of self-employed individuals except (1) adopters of master or prototype plans who received favorable opinion letters after June 19, 1984, that have only one plan, or (2) adopters of uniform plans who received notification letters after December 31, 1984, the effective date of Revenue Procedure 84-86, and that have only one plan. This form is designed to get a response of "N/A" if a line would otherwise be answered "No," and to get an entry in the "Article or Section and Page Number" column if the answer would be "Yes."

1. a. Name of plan sponsor (employer if single employer) McClanahan Ingles	b. Employer Identification Number 62-1593176
Address number and street Main Street at Court Circle, P.O. Box 708	
City or town, state and ZIP code Gloucester, Virginia 23061	

Answer items 2 through 27 either by checking "N/A" if the item does not apply, or by entering the Article or Section and Page Number of the plan where the provision is found in the plan.

N/A	Article or Section and Page Number
2. a. Is the plan:	
<input checked="" type="checkbox"/> i. A collectively-bargained plan that has never been top-heavy as defined in section 416, and that covers only employees who are covered by a collective bargaining agreement under which retirement benefits were the subject of good faith bargaining, or employees of employee representatives, or	X
<input checked="" type="checkbox"/> ii. A governmental plan?	X
If (i) or (ii) is "Yes," do not complete items 3-11 or 24a.	
b. Is the plan:	
<input checked="" type="checkbox"/> i. A master or prototype plan which received a favorable opinion letter after June 19, 1984, and the applicant has more than one plan, or	X
<input checked="" type="checkbox"/> ii. A uniform plan which received a notification letter after December 31, 1984, and the applicant has more than one plan?	X
If (i) or (ii) is "Yes," complete only items 10, 24c, and 24d.	
3. a. Does the plan limit the compensation that can be taken into account for any employee to \$200,000 for any year in which the plan is top-heavy?	1.12p 3
b. Does the plan provide vesting which is at least as favorable as is required under section 416(b)?	5.2p33
4. For a defined benefit plan:	
a. Are minimum benefits provided for each non-key employee which are not less than 2% of the employee's average high 5 consecutive years of compensation per year of service (not to exceed 10% in total)?	5.2p26
b. Does each non-key employee obtain the minimum benefit if such non-key employee has 1,000 hours of service during an accrual computation period without exception?	5.2p26
5. For defined contribution plans only:	
a. Does the plan provide for a minimum contribution (allocation) which is not less than the lower of 1% of compensation or the highest rate of contribution applicable to any key employee?	X
b. Does the plan provide that, in determining the highest rate of contribution applicable to any key employee, amounts that a key employee elects to defer under a qualified section 401(a) arrangement are counted for purposes of section 415?	X
c. Will a non-key employee receive a minimum contribution if that employee has not separated from service at the end of the plan year?	X
6. Are account balances attributable to minimum contributions fully nonforfeitable even though a non-key employee withdraws mandatory contributions?	X
7. Are the plan provisions described in item 4 or 5 (whichever is applicable) and items 3 and 6 operative for each year regardless of whether the plan is actually top-heavy?	No
If "Yes," do not complete items 8 and 9.	
8. Testing for top-heaviness:	
a. Does the plan define:	
(i) Determination date?	2.2p11
(ii) Valuation date?	5.2p11
(iii) Required aggregation?	5.2p11

Items either by checking "N/A" if the item does not apply, or by entering the Article or Page Number of the plan where the provision is found in the plan.	N/A	Article or Section and Page Number
Testing for top-heaviness (continued):		
(vi) Permissive aggregation?		2.2p11
(vii) Top-heavy ratio?		2.2p11
(viii) Key employee?		1.25p 6
(ix) Non-key employee?		1.25p 7
10 If this is a defined benefit plan, are the actuarial assumptions used to determine the present value of accrued benefits:		
(i) Specified in the plan?		2.2p11
(ii) Identical for all defined benefit plans being tested?		2.2p11
Does the plan provide that the accrued benefits and account balances that are to be taken into account in order to determine top-heaviness must relate to the proper determination date (see instructions)?		2.2p11
Answer 10 only if the employer maintains or has maintained more than one plan.		
11 a If this plan is a defined benefit plan, does it provide the top-heavy minimum benefit?		5.2p26
b If both defined contribution and defined benefit plans have been or are being maintained, is the top-heavy minimum contribution for each non-key employee participating in both plans comparable to the top-heavy minimum benefit?	X	
c Does a floor offset arrangement apply with the floor being the top-heavy defined benefit minimum?	X	
d If both defined contribution and defined benefit plans have been or are being maintained, is a minimum 5% of compensation provided for each non-key employee participating in both plans?	X	
e If both defined contribution and defined benefit plans have been or are being maintained, is a minimum 2% of compensation provided for each non-key employee who participates solely in the defined benefit plan?		5.2p26
Does this plan always use a factor for purposes of determining the framework under section 415 of 1.0 times the applicable dollar limitation? If "Yes," do not answer 11b or c.	X	
12 a Does this plan use a limitation of 1.0 times the dollar limitation if the top-heavy ratio is greater than 90%?		6.6p48
b If the top-heavy ratio is between 80% and 90%, and the plan uses a factor of 1.25 times the dollar limitation, does the plan provide for one of the following:		
(i) If this is a defined benefit plan, a defined benefit minimum of 3% in lieu of the 2% minimum described in 4a (not to exceed 30% in total)?		5.2p26
(ii) If this is a defined contribution plan, a defined contribution minimum of 4% in lieu of the 3% described in 5a?	X	
c When a non-key employee is covered by both a defined benefit plan and a defined contribution plan, both of which are top-heavy, and the employer wants to use the 1.25 factor, then does such an employee receive one of the following:		
(i) A defined contribution minimum comparable to a 3% defined benefit minimum?	X	
(ii) A floor offset in a defined benefit plan with the floor being a 3% minimum described in 11c(ii)?	X	
(iii) If this is a defined contribution plan, and this plan and a defined benefit plan of the employer are both top-heavy, a defined contribution minimum of 7 1/2% of compensation for each non-key employee covered under both plans?	X	
13 If this is a profit-sharing plan, are employer contributions on behalf of permanently and totally disabled employees nonforfeitable when made?	X	
14 Does the plan provide that the minimum age required for participation may not exceed age 21?		3.1p21
15 Does the plan count years of service upon attainment of age 18 for vesting purposes?	X	3.8p33
16 Does the plan require at least five consecutive 1-year breaks in service in order to disregard:		
a Post-break service for pre-break vested accrued benefits (see instructions)?		5.6p33
b In the case of a nonvested participant, pre-break service for participation or vesting?		
17 Are hours of service credited, during maternity or paternity absence, for purposes of determining whether a break in service has occurred?		1.30p 7
18 If the plan provides for disregarding service attributable to a cash out, does it meet the requirements of Code section 411(a)(7)(C)?		5.6p33
19 Does the plan (if a pension plan) provide for the payment of benefits in the form of a qualified joint and survivor annuity and a qualified pre-retirement survivor annuity?		5.8p38
the answer to 18 is "N/A," and this is a profit-sharing or stock bonus plan, does it provide:		
a The participant's nonforfeitable account balance will be paid on the death of the participant to the surviving spouse or, if the surviving spouse consents, or if there is no surviving spouse, to a designated beneficiary of the participant?	X	

Answer all items either by checking "N/A" if the item does not apply, or by entering the Article or Section and Page Number of the plan where the provision is found in the plan.

	N/A	Article or Section and Page Number
Continued:	X	
If a life annuity is offered and elected by the participant, the participant's benefits will be paid in the form of a joint and survivor annuity?	X	
c If the plan is, or may become, a direct or indirect transferee, that the survivor annuity benefit described in 18 will be provided with respect to the participant who received the transfer?		5.7p34 5.8p38
20 Does the plan provide a procedure for the participant to waive the qualified joint and survivor annuity and the qualified preretirement survivor annuity during the election period?		5.7p34
a In the case of the qualified joint and survivor annuity, does the election period begin no later than 90 days before the annuity starting date?		5.8p38
b In the case of a qualified preretirement survivor annuity, does the election period begin on the first day of the plan year in which the participant attains age 35 and end on the date of the plan participant's death?		5.7p34; 5.8p38
c Does any waiver require the written consent of the participant's spouse to the waiver?		5.7p34 5.6p33
21 Does the plan provide that if the present value of the vested accrued benefit of a participant exceeds \$3,500, then the benefit cannot be paid out immediately without the consent of the participant?		1.3p 1
22 If this is a defined benefit plan, are the actuarial assumptions used to determine the amount of any benefit specified in the plan so as to preclude employer discretion?		
23 If this application relates to an amendment to an existing plan, does the amendment preclude either:		
a The elimination or reduction of an early retirement benefit or a subsidy that continues after retirement?	X	
b Elimination of an optional form of benefit?	X	
24 Does the plan provide for the following within the limitations of section 415:		
a For a defined contribution plan:		
(i) Definition and limitation of annual additions according to the Code and regulations?	X	
(ii) A mechanism by which excess annual additions due to a reasonable estimate of a participant's annual compensation or a. allocation of forfeitures are reduced according to one of the methods described in the regulations?	X	
b For a defined benefit plan:		
(i) An annual benefit to which a participant may be entitled, limited to the lesser of (a) 100% of the participant's average compensation for his or her high 3 years of service, or (b) \$50,000 (or other amounts as adjusted for cost of living increases under section 415 (b) (5))?		6.2p44
(ii) If the plan provides a retirement benefit beginning on or after age 55 but before social security retirement age, is the benefit limited to the greater of (a) the actuarial equivalent of a \$30,000 (or the adjusted dollar limitation in item 24b(i) above) annual benefit beginning at social security retirement age, or (b) \$75,000?		6.3p46
(iii) If the plan provides a retirement benefit beginning before age 55, is the benefit limited to the greater of (a) the actuarial equivalent of a \$75,000 annual benefit beginning at age 55, or (b) the actuarial equivalent of a \$30,000 (or the adjusted dollar limitation in 24b(i) above) annual benefit beginning at social security retirement age?		6.3p46
(iv) Are the actuarial equivalents in 24b(ii) and (iii) based on an interest rate not less than the greater of 5% or the rate specified in the plan?		6.3p46
(v) If the retirement benefit under the plan begins after social security retirement age, provision for an increase in the maximum dollar limitation on benefits to the actuarial equivalent of a \$30,000 (or the adjusted dollar limitation in 24b(i) above) annual benefit beginning at social security retirement age, using an interest assumption no greater than the lesser of 5% or the rate specified in the plan?		6.3p46
(vi) If the employer maintains, or at one time maintained, another qualified defined benefit plan, the plan or plans preclude the possibility that the limitations of 24b(i)-(v) will be exceeded when all such defined benefit plans are treated as one plan?		6.2p44
(vii) If the plan is a pre-TEFRA defined benefit plan, does it preserve a participant's accrued benefit that was properly accrued under pre-TEFRA law?		6.2p44
If the employer maintains another qualified defined contribution plan (or a defined benefit plan to which nondeductible employee contributions are made), the plan or plans preclude the possibility that the limitations of 24a(ii) and/or 24b(i) will be exceeded when all such defined contribution plans and/or defined benefit plans are treated as one plan?		6.6p48.

For all items either by checking "N/A" if the item does not apply, or by entering the Article or Section and Page Number of the plan where the provision is found in the plan.

24 (Continued)

d If this plan is a defined contribution plan and the employer maintains, or at any time maintained, a qualified defined benefit plan, or if this plan is a defined benefit plan and the employer maintains, or at any time maintained, a qualified defined contribution plan, do the provisions of the plan preclude the possibility that, with respect to any participant for a limitation year, the sum of the defined benefit plan fraction and the defined contribution plan fraction will exceed 1.0?

e If the plan is or becomes a top-heavy plan subject to the requirement of section 4160(d)(1), the required adjustment to the computation of the defined benefit and defined contribution fraction denominators will be made?

25 If this is an integrated defined contribution plan, does the contribution rate satisfy section 401(l)(7)?

26 a Does the employer receive services from any leased employees within the meaning of section 414(n)?

b If "Yes," are the leased employees included as employees in the employee data given for the plan?

27 a Distributions before death

(i) Does the plan require that distributions to a participant other than a 5% owner begin not later than April 1 of the calendar year following the later of the calendar year in which the participant attains age 70 1/2 or the calendar year in which the participant retires?

(ii) Does the plan require that distributions to a 5% owner begin not later than April 1 following the calendar year in which he or she attains age 70 1/2?

(iii) Will distributions of the participant's entire interest be made in one of the following ways: in a lump sum; over the life of the participant; over the life of the participant and a designated beneficiary; over a period certain not extending beyond the life expectancy of the participant; or over a period certain not extending beyond the joint life and last survivor expectancy of the participant and a designated beneficiary?

b Distributions after death

(i) Does the plan provide that, if distribution has started before the participant's death, the remaining interest will be distributed at least as rapidly as under the method being used as of the date of the participant's death?

(ii) Does the plan provide that, if the participant dies before distribution begins, the portion of the participant's interest that is not payable to a beneficiary designated by the participant will be distributed within 5 years after such participant's death?

(iii) Does the plan provide that, if the participant dies before distribution begins, any portion of the participant's interest that is payable to a beneficiary designated by the participant will be distributed over the life of such beneficiary (or over a period not to exceed the life expectancy of the beneficiary) beginning not later than the later of one year after the participant's death, or if the designated beneficiary is the participant's surviving spouse, the date on which the participant would have attained age 70 1/2?

c Transitional rule:

If the plan permits an employee to designate before January 1, 1984, a method of distribution that does not satisfy section 401(a)(9), as in effect on January 1, 1985, does the method satisfy the requirements of section 401(a) as in effect before January 1, 1984?

Reminder: If this request relates to the adoption of a master or prototype or uniform plan, you must attach the latest opinion or notification letter issued to the sponsor. If this request relates to an amendment of an individually designed plan, you must attach a copy of the latest determination letter.

Employee Census

▶ Attach to application for determination—defined benefit and defined contribution plans.

(Round off to nearest dollar)

OMB No. 1545-0046
Expires 11-30-90

This Form is NOT Open
to Public Inspection

Schedule of 25 highest paid participating employees for 12 month period ended ▶ **December 31, 1987***

Name of employer

Employer identification number

McClanahan Ingles

*Estimate Only

52-1593176

Line no	Participant's last name and initials (See instructions) (a)	Check Owner, shareholder, or self-employed (b)	Percent of voting stock or business owned (c)	Age (d)	Years of service (e)	Annual Nondelayed Compensation			Employee contributions under the plan (i)	*Estimate Only Defined Benefit		Defined Contribution			Amount allocated under each other defined contribution plan of deferred compensation (u)
						Used in computing benefits of employee's share of contributions (f)	Excluded (g)	Total (h)		Annual benefit expected under this plan (j)	Annual benefit under each other qualified defined benefit plan of deferred compensation (k)	Employer contribution allocated (l)	Number of units, if any (m)	Forfeitures allocated in the year (n)	
1	Ingles, M.	X	100	41	3	90,000	--	90,000		90,000					
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Total for above						90,000	--	90,000							
Totals for all others (specify number ▶)						--	--	--							

OCT 17 1988
EP/EO DIVISION
RECORDS UNIT
BALTIMORE

829

ADOPTING RESOLUTION

TC: The undersigned Principal of McClanahan Ingles (the Employer) hereby certifies that the following resolutions ~~was~~ duly adopted by the Employer on December 30, 1987, and that such resolutions have not been modified or rescinded as of the date hereof:

RESOLVED, that the form of Pension Plan and Trust effective January 1, 1987, presented to this meeting is hereby approved and adopted and that the duly authorized agents of the Employer are hereby authorized and directed to execute and deliver to the Trustee of the Plan one or more counterparts of the Plan.

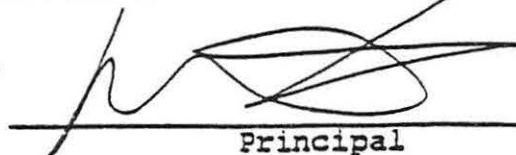
RESOLVED, that for purposes of the limitations on contributions and benefits under the Plan, prescribed by Section 415 of the Internal Revenue Code, the "limitation year" shall be the Plan Year.

RESOLVED, that not later than the due date (including extensions hereof) of the Employer's federal income tax return for each of its fiscal years hereafter, the Employer shall contribute to the Plan for each such fiscal year not less than such amount as shall be required to meet minimum funding standards and that a duly authorized agent of the Employer is authorized and directed to pay such contribution to the Trustee of the Plan in cash or property and to designate to the Trustee the fiscal year for which such contribution is made.

RESOLVED, that the duly authorized agents of the Employer shall act as soon as possible to notify the employees of the Employer of the adoption of the Pension Plan by delivering to each employee a copy of the summary description of the Plan in the form of the Summary Plan Description presented to this meeting, which form is hereby approved.

The undersigned further certifies that attached hereto as Exhibits A, B and C, respectively, are true copies of McClanahan Ingles Defined Benefit Pension Plan and Trust, Summary Plan Description and Funding Policy and Method approved and adopted in the foregoing resolutions.

NOTE: →


Principal

NOTE: →

Date: October 10, 1988

MCCLANAHAN INGLES
DEFINED BENEFIT PENSION PLAN AND TRUST

FUNDING POLICY AND METHOD

A pension benefit plan (as defined in the Employee Retirement Income Security Act of 1974) has been adopted by the company for the purpose of rewarding long and loyal service to the company by providing to employees additional financial security at retirement. Incidental benefits are provided in the case of disability, death or other termination of employment.

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

MCCLANAHAN INGLES
DEFINED BENEFIT PENSION PLAN AND TRUST

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MCCLANAHAN INGLES
DEFINED BENEFIT PENSION PLAN AND TRUST

NOTE: → THIS AGREEMENT, hereby made and entered into this 30th day of December, 19 87, by and between McClanahan Ingles (herein referred to as the "Employer") and McClanahan Ingles and Lorraine J. Ingles (herein referred to as the "Trustee").

W I T N E S S E T H:

WHEREAS, the Employer desires to recognize the contribution made to its successful operation by its employees and to reward such contribution by means of a Pension Plan for those employees who shall qualify as Participants hereunder;

NOW, THEREFORE, effective January 1, 1987, (hereinafter called the "Effective Date"), the Employer hereby establishes a Pension Plan and creates this trust (which plan and trust are hereinafter called the "Plan") for the exclusive benefit of the Participants and their Beneficiaries, and the Trustee hereby accepts the Plan on the following terms:

ARTICLE I
DEFINITIONS

1.1 "Accrued Benefit" shall be the retirement benefit a Participant would receive at his Normal Retirement Date as provided in Section 5.1 of the Plan, multiplied by a fraction, not greater than one (1), the numerator of which is the Participant's total number of Plan Years of Service commencing with the Effective Date of the Plan and the denominator of which is the aggregate number of Plan Years of Service the Participant will have accumulated commencing with the Effective Date of the Plan if he continued his employment until his Normal Retirement Age.

Notwithstanding the above, a Participant's Accrued Benefit derived from Employer contributions shall not be less than the minimum Accrued Benefit, if any, provided pursuant to Section 5.2.

1.2 "Act" means the Employee Retirement Income Security Act of 1974, as it may be amended from time to time.

1.3 "Actuarial Equivalent" means a form of benefit differing in time, period, or manner of payment from a specific benefit provided under the Plan but having the same value when computed using 5.5% Pre and Post Retirement Interest Rate; 1984

UP Post Retirement Mortality Table.

In the event this Section is amended, the Actuarial Equivalent of a Participant's Accrued Benefit on or after the date of change shall be determined as the greater of (1) the Actuarial Equivalent of the Accrued Benefit as of the date of change computed on the old basis, or (2) the Actuarial Equivalent of the total Accrued Benefit computed on the new basis.

1.4 "Administrator" means the person designated by the Employer pursuant to Section 2.4 to administer the Plan on behalf of the Employer.

1.5 "Affiliated Employer" means the Employer and any corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b)) which include the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c)) with the Employer; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Employer; and any other entity required to be aggregated with the Employer pursuant to Regulations under Code Section 414(o).

1.6 "Age" means age at last birthday.

1.7 "Aggregate Account" means, with respect to each Participant, the value of all accounts maintained on behalf of a Participant, whether attributable to Employer or Employee contributions, used to determine Top Heavy Plan status under the provisions of a defined contribution plan included in any Aggregation Group (as defined in Article II).

1.8 "Anniversary Date" means January 1st.

1.9 "Average Monthly Compensation" means the monthly Compensation of a Participant averaged over the 5 consecutive Plan Years of Service which produce the highest monthly average within the last ten (10) completed years of participation. If a Participant has less than 60 Months of Service from his date of participation to his date of termination, his Average Monthly Compensation will be based on his monthly Compensation during his Months of Service from his date of participation to his date of termination. Compensation subsequent to termination of participation pursuant to Section 3.5 shall not be recognized.

1.10 "Beneficiary" means the person designated as provided in Section 5.5 to receive the benefits which are payable under the Plan upon or after the death of a Participant.

1.11 "Code" means the Internal Revenue Code of 1986, as amended or replaced from time to time.

1.12 "Compensation" with respect to any Participant means total compensation paid or accrued by the Employer for a Plan Year. Amounts contributed by the Employer under the within Plan and any non-taxable fringe benefits provided by the Employer shall not be considered as Compensation. Compensation for any Self-Employed Individual shall be equal to his Earned Income.

For Plan Years beginning after December 31, 1988, Compensation in excess of \$200,000 shall be disregarded. Such amount shall be adjusted at the same time and in such manner as permitted under Code Section 415(d). However, for Plan Years beginning prior to January 1, 1989, the \$200,000 limit on Compensation shall apply only for Top Heavy Plan Years.

1.13 "Contract" or "Policy" means a life insurance policy or annuity contract (group or individual) issued by the insurer as elected.

All Contracts or Policies issued pursuant to Section 5.5 shall be acquired on a uniform and nondiscriminatory basis with respect to the face amount of the death benefit stated in such Contract or Policy.

1.14 "Earliest Retirement Age" means the earliest date on which, under the Plan, the Participant could elect to receive retirement benefits.

1.15 "Early Retirement Date". This Plan does not provide for a retirement date prior to Normal Retirement Date.

1.16 "Earned Income" means with respect to a Self-Employed Individual, the net earnings from self-employment in the trade or business with respect to which the Plan is established, for which the personal services of the individual are a material income-producing factor. Net earnings will be determined without regard to items not included in gross income and the deductions allocable to such items. Net earnings are reduced by contributions by the Employer to a qualified Plan to the extent deductible under Code Section 404.

1.17 "Eligible Employee" means any Employee who has satisfied the provisions of Section 3.1.

Employees whose employment is governed by the terms of a collective bargaining agreement between Employee representatives (within the meaning of Code Section 7701 (a)(46)) and the Employer under which retirement benefits were the subject of good faith bargaining between the parties, unless such agreement expressly provides for such coverage in this Plan, will not be eligible to participate in this Plan.

1.18 "Employee" means any person who is employed by the Employer, but excludes any person who is employed as an independent contractor. Employee shall include leased employees within the meaning of Code Section 414(n)(2) unless such leased employees are covered by a plan described in Code Section 414(n)(5) and such leased employees, with respect to services performed after December 31, 1986, do not constitute more than 20% of the recipient's nonhighly compensated work force.

1.19 "Employer" means McClanahan Ingles and any successor which shall maintain this Plan; and any predecessor which has maintained this Plan. The Employer is a sole proprietorship, with principal offices in the Commonwealth of Virginia.

1.20 "Fiduciary" means any person who (a) exercises any discretionary authority or discretionary control respecting management of the Plan or exercises any authority or control respecting management or disposition of its assets, (b) renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of the Plan or has any authority or responsibility to do so, or (c) has any discretionary authority or discretionary responsibility in the administration of the Plan, including, but not limited to, the Trustee, the Employer and its representative body, and the Administrator.

1.21 "Fiscal Year" means the Employer's accounting year of 12 months commencing on January 1st of each year and ending the following December 31st.

1.22 "Former Participant" means a person who has been a Participant, but who has ceased to be a Participant for any reason.

1.23 "415 Compensation" means compensation as defined in Section 6.2(b).

1.24 "Hour of Service" means (1) each hour for which an Employee is directly or indirectly compensated or entitled to compensation by the Employer for the performance of duties during the applicable computation period; (2) each hour for which an Employee is directly or indirectly compensated or entitled to compensation by the Employer (irrespective of whether the employment relationship has terminated) for reasons other than performance of duties (such as vacation, holidays, sickness, jury duty, disability, lay-off, military duty or leave of absence) during the applicable computation period; (3) each hour for which back pay is awarded or agreed to by the Employer without regard to mitigation of damages.

Notwithstanding the above, (i) no more than 501 Hours of Service are required to be credited to an Employee on account of any single continuous period during which the Employee performs no duties (whether or not such period occurs in a single computation period); (ii) an hour for which an Employee is directly or indirectly paid, or entitled to payment, on account of a period during which no duties are performed is not required to be credited to the Employee if such payment is made or due under a plan maintained solely for the purpose of complying with applicable worker's compensation, or unemployment compensation or disability insurance laws; and (iii) Hours of Service are not required to be credited for a payment which solely reimburses an Employee for medical or medically related expenses incurred by the Employee.

For purposes of this Section, a payment shall be deemed to be made by or due from the Employer regardless of whether such payment is made by or due from the Employer directly, or indirectly through, among others, a trust fund, or insurer, to which the Employer contributes or pays premiums and regardless of whether contributions made or due to the trust fund, insurer, or other entity are for the benefit of particular Employees or are on behalf of a group of Employees in the aggregate.

An Hour of Service must be counted for the purpose of determining a Year of Service, a year of participation for purposes of accrued benefits, a 1-Year Break in Service, and employment commencement date (or reemployment commencement date). The provisions of Department of Labor regulations 2530.200b-2(b) and (c) are incorporated herein by reference.

1.25 "Investment Manager" means an entity that (a) has the power to manage, acquire, or dispose of Plan assets and (b) acknowledges fiduciary responsibility to the Plan in writing.

Such entity must be a person, firm, or corporation registered as an investment adviser under the Investment Advisers Act of 1940, a bank, or an insurance company.

1.26 "Key Employee" means an Employee as defined in Code Section 416(i) and the Regulations thereunder. Generally, any Employee or former Employee (as well as each of his Beneficiaries) is considered a Key Employee if he, at any time during the Plan Year or any of the preceding four (4) Plan Years, has been included in one of the following categories:

(a) an officer of the Employer (as that term is defined within the meaning of the regulations under Code Section 416) having annual "415 Compensation" greater than 150 percent of the amount in effect under Code Section 415(c)(1)(A) for any such Plan Year.

(b) one of the ten employees having annual "415 Compensation" from the Employer for a Plan Year greater than the dollar limitation in effect under Code Section 415(c)(1)(A) for the calendar year in which such Plan Year ends and owning (or considered as owning within the meaning of Code Section 318) both more than one-half percent interest and the largest interests in the Employer.

(c) a "five percent owner" of the Employer. "Five percent owner" means any person who owns (or is considered as owning within the meaning of Code Section 318) more than five percent (5%) of the outstanding stock of the Employer or stock possessing more than five percent (5%) of the total combined voting power of all stock of the Employer or, in the case of an unincorporated business, any person who owns more than five percent (5%) of the capital or profits interest in the Employer. In determining percentage ownership hereunder, employers that would otherwise be aggregated under Code Sections 414(b), (c), and (m) shall be treated as separate employers.

(d) a "one percent owner" of the Employer having an annual "415 Compensation" from the Employer of more than \$150,000. "One percent owner" means any person who owns (or is considered as owning within the meaning of Code Section 318) more than one percent (1%) of the outstanding stock of the Employer or stock possessing more than one percent (1%) of the total combined voting power of all stock of the Employer or, in the case of an unincorporated business, any person who owns more

than one percent (1%) of the capital or profits interest in the Employer. In determining percentage ownership hereunder, employers that would otherwise be aggregated under Code Sections 414(b), (c), and (m) shall be treated as separate employers. However, in determining whether an individual has "415 Compensation" of more than \$150,000, "415 Compensation" from each employer required to be aggregated under Code Sections 414(b), (c), and (m) shall be taken into account.

1.27 "Late Retirement Date" means the Anniversary Date coinciding with or next following a Participant's actual Retirement Date after having reached his Normal Retirement Date.

1.28 "Non-Key Employee" means any Employee or former Employee (and his Beneficiaries) who is not a Key Employee.

1.29 "Normal Retirement Date" means the Anniversary Date coinciding with or next following the Participant's Normal Retirement Age (65th birthday, or the 10th anniversary of joining the Plan, if later). A Participant shall become fully Vested in his Normal Retirement Benefit upon attaining his Normal Retirement Age.

1.30 "1-Year Break in Service" means the applicable computation period during which an Employee has not completed more than 500 Hours of Service with the Employer. Further, solely for the purpose of determining whether a Participant has incurred a 1-Year Break in Service, Hours of Service shall be recognized for "authorized leaves of absence" and "maternity and paternity leaves of absence."

"Authorized leave of absence" means an unpaid, temporary cessation from active employment with the Employer pursuant to an established nondiscriminatory policy, whether occasioned by illness, military service, or any other reason.

A "maternity or paternity leave of absence" means, for Plan Years beginning after December 31, 1984, an absence from work for any period by reason of the Employee's pregnancy, birth of the Employee's child, placement of a child with the Employee in connection with the adoption of such child, or any absence for the purpose of caring for such child for a period immediately following such birth or placement. For this purpose, Hours of Service shall be credited for the computation period in which the absence from work begins, only if credit therefore is necessary to prevent the Employee from incurring a 1-Year Break in Service, or, in any other case, in the immediately following computation period. The Hours of Service credited for a "maternity or

paternity leave of absence" shall be those which would normally have been credited but for such absence, or, in any case in which the Administrator is unable to determine such hours normally credited, eight (8) Hours of Service per day. The total Hours of Service required to be credited for a "maternity or paternity leave of absence" shall not exceed 501.

1.31 "Owner-Employee" means a sole proprietor who owns the entire interest in the Employer or a partner who owns more than 10% of either the capital interest or the profits interest in the Employer and who receives income for personal services from the Employer.

1.32 "Participant" means any Eligible Employee who elects to participate in the Plan as provided in Sections 3.2 and 3.3, and has not for any reason become ineligible to participate further in the Plan.

1.33 "Plan" means this instrument, including all amendments thereto.

1.34 "Plan Year" means the Plan's accounting year of twelve (12) months commencing on January 1st of each year and ending the following December 31st.

1.35 "Plan Year of Service" means a Plan Year during which an Employee is a Participant and completes 1000 Hours of Service.

1.36 "Pre-Retirement Survivor Annuity" means an annuity form of payment for the life of the surviving spouse of a Participant who dies prior to his Retirement Date.

1.37 "Present Value of Accrued Benefit" means the lump-sum value of a Participant's Accrued Benefit at date of valuation, calculated in the following manner: (a) by using an interest rate no greater than the lesser of the rate specified in Section 1.3 or the "applicable interest rate" if the vested accrued benefit using such rate is not greater than \$25,000; and (b) by using an interest rate no greater than the lesser of the rate specified in Section 1.3 or 120% of the "applicable interest rate" if the vested accrued benefit exceeds \$25,000 as determined under (a), but in no event shall the present value calculated under clause (b) be less than \$25,000. For this purpose, the "applicable interest rate" shall mean the interest rate which would be used, as of the date of distribution, by the Pension Benefit Guaranty Corporation for the purpose of determining the present value of a lump-sum distribution on plan termination. Notwithstanding the foregoing, the Present Value of Accrued Benefit for the determination of Top Heavy Plan status shall be made exclusively

pursuant to the provisions of Section 2.2.

1.38 "Regulation" means the Income Tax Regulations as promulgated by the Secretary of the Treasury or his delegate, and as amended from time to time.

1.39 "Retired Participant" means a person who has been a Participant, but who has become entitled to retirement benefits under the Plan.

1.40 "Retirement Date" means the date as of which a Participant retires for reasons other than Total and Permanent Disability, whether such retirement occurs on a Participant's Normal Retirement Date or Late Retirement Date (see Section 5.1).

1.41 "Self-Employed Individual" means an individual who has earned income for the taxable year from the trade or business for which the Plan is established, and, also, an individual who would have had earned income but for the fact that the trade or business had no net profits for the taxable year. A Self-Employed Individual shall be treated as an Employee.

1.42 "Social Security Retirement Age" means the age used as the retirement age under Section 216(1) of the Social Security Act, except that such section shall be applied without regard to the age increase factor and as if the early retirement age under Section 216(1)(2) of such Act were 62.

1.43 "Super Top Heavy Plan" means a plan described in Section 2.2(b).

1.44 "Terminated Participant" means a person who has been a Participant, but whose employment has been terminated other than by death, Total and Permanent Disability or retirement.

1.45 "Top Heavy Plan" means a plan described in Section 2.2(a).

1.46 "Top Heavy Plan Year" means a Plan Year during which the Plan is a Top Heavy Plan.

1.47 "Total and Permanent Disability" means a physical or mental condition of a Participant resulting from bodily injury, disease, or mental disorder which renders him incapable of continuing his usual and customary employment with the Employer. The disability of a Participant shall be determined by a licensed physician chosen by the Administrator. The determination shall be applied uniformly to all Participants.

1.48 "Trustee" means the person or entity named as trustee herein or in any separate trust forming a part of this Plan, and any successors.

1.49 "Trust Fund" means the assets of the Plan and Trust as the same shall exist from time to time.

1.50 "Typical Level Premium Cost Method" means the calculation of level annual normal costs for benefits from the attained age of the Participant to his Normal Retirement Date based upon the actuarial assumptions stated in Section 1.3. Changes in Compensation which affect normal cost will be taken into account in the year in which they occur.

1.51 "Vested" means the portion of a Participant's Accrued Benefit that is nonforfeitable.

1.52 "Year of Service" means the computation period of twelve (12) consecutive months, herein set forth, during which an Employee has at least 1000 Hours of Service.

For purposes of eligibility for participation, the computation periods shall be measured from the date on which the Employee first performs an Hour of Service and anniversaries thereof. The participation computation periods beginning after a 1-Year Break in Service shall be measured from the date on which an Employee again performs an Hour of Service and anniversaries thereof.

For vesting purposes, a Year of Service shall be a computation period in which an Employee completes 1000 Hours of Service. For this purpose, the computation period shall be the Plan Year, including periods prior to the Effective Date of the Plan.

Years of Service with any Affiliated Employer shall be recognized.

ARTICLE II
TOP HEAVY AND ADMINISTRATION

2.1 TOP HEAVY PLAN REQUIREMENTS

(a) For any Top Heavy Plan Year, the Plan shall provide the following:

(1) special vesting requirements of Code Section 416(b) pursuant to Section 5.6 of the Plan;

(2) special minimum benefit requirements of Code Section 416(c) pursuant to Section 5.2 of the Plan;

(3) for Plan Years beginning prior to January 1, 1989, special Compensation and "415 Compensation" requirements of Code Section 416(d).

2.2 DETERMINATION OF TOP HEAVY STATUS

(a) This Plan shall be a Top Heavy Plan for any Plan Year in which, as of the Determination Date, (1) the Present Value of Accrued Benefits of Key Employees and (2) the sum of the Aggregate Accounts of Key Employees under this Plan and all plans of an Aggregation Group, exceeds sixty percent (60%) of the Present Value of Accrued Benefits and the Aggregate Accounts of all Key and Non-Key Employees under this Plan and all plans of an Aggregation Group.

If any Participant is a Non-Key Employee for any Plan Year, but such Participant was a Key Employee for any prior Plan Year, such Participant's Present Value of Accrued Benefit and/or Aggregate Account balance shall not be taken into account for purposes of determining whether this Plan is a Top Heavy or Super Top Heavy Plan (or whether any Aggregation Group which includes this Plan is a Top Heavy Group). In addition, if a Participant or Former Participant has not performed any services for any Employer maintaining the Plan at any time during the five year period ending on the Determination Date, any accrued benefit for such Participant or Former Participant shall not be taken into account for the purposes of determining whether this Plan is a Top Heavy or Super Top Heavy Plan.

(b) This Plan shall be a Super Top Heavy Plan for any Plan Year in which, as of the Determination Date, (1) the Present Value of Accrued Benefits of Key Employees and (2) the sum of the Aggregate Accounts of

Key Employees under this Plan and all plans of an Aggregation Group, exceeds ninety percent (90%) of the Present Value of Accrued Benefits and the Aggregate Accounts of all Key and Non-Key Employees under this Plan and all plans of an Aggregation Group.

(c) Aggregate Account: A Participant's Aggregate Account as of the Determination Date shall be determined under applicable provisions of the defined contribution plan used in determining Top Heavy Plan status.

(d) "Aggregation Group" means either a Required Aggregation Group or a Permissive Aggregation Group as hereinafter determined.

(1) Required Aggregation Group: In determining a Required Aggregation Group hereunder, each plan of the Employer in which a Key Employee is a participant in the Plan Year containing the Determination Date or any of the four preceding Plan Years, and each other plan of the Employer which enables any plan in which a Key Employee participates to meet the requirements of Code Sections 401(a)(4) or 410, will be required to be aggregated. Such group shall be known as a Required Aggregation Group.

In the case of a Required Aggregation Group, each plan in the group will be considered a Top Heavy Plan if the Required Aggregation Group is a Top Heavy Group. No plan in the Required Aggregation Group will be considered a Top Heavy Plan if the Required Aggregation Group is not a Top Heavy Group.

(2) Permissive Aggregation Group: The Employer may also include any other plan not required to be included in the Required Aggregation Group, provided the resulting group, taken as a whole, would continue to satisfy the provisions of Code Sections 401(a)(4) and 410. Such group shall be known as a Permissive Aggregation Group.

In the case of a Permissive Aggregation Group, only a plan that is part of the Required Aggregation Group will be considered a Top Heavy Plan if the Permissive Aggregation Group is a Top Heavy Group. No plan in the Permissive

Aggregation Group will be considered a Top Heavy Plan if the Permissive Aggregation Group is not a Top Heavy Group.

(3) Only those plans of the Employer in which the Determination Dates fall within the same calendar year shall be aggregated in order to determine whether such plans are Top Heavy Plans.

(4) An Aggregation Group shall include any terminated plan of the Employer if it was maintained within the last five (5) years ending on the Determination Date.

(e) "Determination Date" means (a) the last day of the preceding Plan Year, or (b) in the case of the first Plan Year, the last day of such Plan Year.

(f) Present Value of Accrued Benefit: In the case of a defined benefit plan, a Participant's Present Value of Accrued Benefit shall be determined:

(1) in the case of a Participant other than a Key Employee, using the single accrual method used for all plans of the Employer and Affiliated Employers, or if no such single method exists, using a method which results in benefits accruing not more rapidly than the slowest accrual rate permitted under Code Section 411(b)(1)(C).

(2) as of the most recent "actuarial valuation date", which is the most recent valuation date within a twelve (12) month period ending on the Determination Date.

(3) for the first Plan Year, as if (a) the Participant terminated service as of the Determination Date; or (b) the Participant terminated service as of the actuarial valuation date, but taking into account the estimated Accrued Benefits as of the Determination Date.

(4) for the second Plan Year, the Accrued Benefit taken into account for a current Participant must not be less than the Accrued Benefit taken into account for the first Plan Year unless the difference is attributable to using an estimate of the Accrued Benefit as of the Determination Date for the first Plan Year and using the actual Accrued Benefit for the second Plan Year.

(5) for any other Plan Year, as if the Participant terminated service as of the actuarial valuation date.

(6) The actuarial valuation date must be the same date used for computing the defined benefit plan minimum funding costs, regardless of whether a valuation is performed that Plan Year.

(g) The calculation of a Participant's Present Value of Accrued Benefit as of a Determination Date shall be the sum of:

(1) The Present Value of Accrued Benefit using the actuarial assumptions of Section 1.3, which assumptions shall be identical for all defined benefit plans being tested for Top Heavy Plan status.

(2) any Plan distributions made within the Plan Year that includes the Determination Date or within the four (4) preceding Plan Years. However, in the case of distributions made after the valuation date and prior to the Determination Date, such distributions are not included as distributions for top heavy purposes to the extent that such distributions are already included in the Participant's Present Value of Accrued Benefit as of the valuation date. Notwithstanding anything herein to the contrary, all distributions, including distributions made prior to January 1, 1984, and distributions under a terminated plan which if it had not been terminated would have been required to be included in an Aggregation Group, will be counted. Further, benefits paid on account of death, to the extent such benefits do not exceed the Present Value of Accrued Benefits existing immediately prior to death, shall be treated as distributions for the purposes of this paragraph.

(3) any Employee contributions, whether voluntary or mandatory. However, amounts attributable to tax deductible Qualified Voluntary Employee Contributions shall not be considered to be a part of the Participant's Present Value of Accrued Benefit.

(4) with respect to unrelated rollovers and plan-to-plan transfers (ones which are both initiated by the Employee and made from a plan maintained by one employer to a plan maintained by another employer), if this Plan provides the rollovers or plan-to-plan transfers, it shall always consider such rollovers or plan-to-plan transfers as a distribution for the purposes of this Section. If this Plan is the plan accepting such rollovers or plan-to-plan transfers, it shall not consider such rollovers or plan-to-plan transfers accepted after December 31, 1983, as part of the Participant's Present Value of Accrued Benefit. However, rollovers or plan-to-plan transfers accepted prior to January 1, 1984, shall be considered as part of the Participant's Present Value of Accrued Benefit.

(5) with respect to related rollovers and plan-to-plan transfers (ones either not initiated by the Employee or made to a plan maintained by the same employer), if this Plan provides the rollovers or plan-to-plan transfers, it shall not be counted as a distribution for purposes of this Section. If this Plan is the plan accepting such rollovers or plan-to-plan transfers, it shall consider such rollovers or plan-to-plan transfers as part of the Participant's Present Value of Accrued Benefit, irrespective of the date on which such rollovers or plan-to-plan transfers are accepted.

(6) For the purposes of determining whether two employers are to be treated as the same employer in (4) and (5) above, all employers aggregated under Code Section 414(b), (c) or (m) are treated as the same employer.

(h) "Top Heavy Group" means an Aggregation Group in which, as of the Determination Date, the sum of:

(1) the Present Value of Accrued Benefits of Key Employees under all defined benefit plans included in the group, and

(2) the Aggregate Accounts of Key Employees under all defined contribution plans included in the group,

exceeds sixty percent (60%) of a similar sum determined for all Participants.

2.3 POWERS AND RESPONSIBILITIES OF THE EMPLOYER

(a) The Employer shall be empowered to appoint and remove the Trustee and the Administrator from time to time as it deems necessary for the proper administration of the Plan to assure that the Plan is being operated for the exclusive benefit of the Participants and their Beneficiaries in accordance with the terms of the Plan, the Code, and the Act.

(b) The Employer shall establish a "funding policy and method", i.e., it shall determine whether the Plan has a short run need for liquidity (e.g., to pay benefits) or whether liquidity is a long run goal and investment growth (and stability of same) is a more current need, or shall appoint a qualified person to do so. The Employer or its delegate shall communicate such needs and goals to the Trustee, who shall coordinate such Plan needs with its investment policy. The communication of such a "funding policy and method" shall not, however, constitute a directive to the Trustee as to investment of the Trust Funds. Such "funding policy and method" shall be consistent with the objectives of this Plan and with the requirements of Title I of the Act.

(c) The Employer shall periodically review the performance of any Fiduciary or other person to whom duties have been delegated or allocated by it under the provisions of this Plan or pursuant to procedures established hereunder. This requirement may be satisfied by formal periodic review by the Employer or by a qualified person specifically designated by the Employer, through day-to-day conduct and evaluation, or through other appropriate ways.

2.4 DESIGNATION OF ADMINISTRATIVE AUTHORITY

The Employer shall appoint one or more Administrators. Any person, including, but not limited to, the Employees of the Employer, shall be eligible to serve as an Administrator. Any person so appointed shall signify his acceptance by filing written acceptance with the Employer. An Administrator may resign by delivering his written resignation to the Employer or be removed by the Employer by delivery of written notice of removal, to take effect at a date specified therein, or upon delivery to the Administrator if no date is specified.

The Employer, upon the resignation or removal of an Administrator, shall promptly designate in writing a successor to this position. If the Employer does not appoint an Administrator, the Employer will function as the Administrator.

2.5 ALLOCATION AND DELEGATION OF RESPONSIBILITIES

If more than one person is appointed as Administrator, the responsibilities of each Administrator may be specified by the Employer and accepted in writing by each Administrator. In the event that no such delegation is made by the Employer, the Administrators may allocate the responsibilities among themselves, in which event the Administrators shall notify the Employer and the Trustee in writing of such action and specify the responsibilities of each Administrator. The Trustee thereafter shall accept and rely upon any documents executed by the appropriate Administrator until such time as the Employer or the Administrators file with the Trustee a written revocation of such designation.

2.6 POWERS AND DUTIES OF THE ADMINISTRATOR

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 in accordance with its terms and shall have the power to determine all questions arising in connection with the administration, interpretation, and application of the Plan. Any such determination by the Administrator shall be conclusive and binding upon all persons. The Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan; provided, however, that any procedure, discretionary act, interpretation or construction shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to be deemed a qualified plan under the terms of Code Section 401(a), and shall comply with the terms of the Act 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 or remain a Participant hereunder;

(b) to compute, certify, and direct the Trustee with respect to the amount and the kind of benefits to which any Participant shall be entitled hereunder;

(c) to authorize and direct the Trustee with respect to all nondiscretionary or otherwise directed disbursements from the Trust;

(d) to maintain all 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 consistent with the terms hereof;

(f) to determine the size and type of any Contract to be purchased from any insurer and to designate the insurer from which such Contract shall be purchased. All Policies shall be issued on a uniform basis as of each Anniversary Date with respect to all Participants under similar circumstances;

(g) to compute and certify to the Employer and to the Trustee from time to time the sums of money necessary or desirable to be contributed to the Trust Fund;

(h) to consult with the Employer and the Trustee regarding the short and long-term liquidity needs of the Plan in order that the Trustee can exercise any investment discretion in a manner designed to accomplish specific objectives;

(i) to prepare and distribute to Employees a procedure for notifying Participants and Beneficiaries of their rights to elect joint and survivor annuities and Pre-Retirement Survivor Annuities as required by the Act and Regulations thereunder;

(j) to assist any Participant regarding his rights, benefits, or elections available under the Plan.

2.7 RECORDS AND REPORTS

The Administrator shall keep a record of all actions taken and shall keep all other books of account, records, and other data that may be necessary for proper administration of the Plan and shall be responsible for supplying all information and reports to the Internal Revenue Service, Department of Labor, Participants, Beneficiaries and others as required by law.

2.8 APPOINTMENT OF ADVISERS

The Administrator, or the Trustee with the consent of the Administrator, may appoint counsel, specialists, advisers, and other persons as the Administrator or the Trustee deems necessary or desirable in connection with the administration of this Plan.

2.9 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 Hours of Service, their Years of Service, 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 may rely upon such information as is supplied by the Employer and shall have no duty or responsibility to verify such information.

2.10 PAYMENT OF EXPENSES

All expenses of administration may be paid out of the Trust Fund unless paid by the Employer. Such expenses shall include any expenses incident to the functioning of the Administrator, including, but not limited to, fees of accountants, counsel, and other specialists and their agents, and other costs of administering the Plan. Until paid, the expenses shall constitute a liability of the Trust Fund. However, the Employer may reimburse the Trust Fund for any administration expense incurred. Any administration expense paid to the Trust Fund as a reimbursement shall not be considered an Employer contribution.

2.11 MAJORITY ACTIONS

Except where there has been an allocation and delegation of administrative authority pursuant to Section 2.5, if there shall be more than one Administrator, they shall act by a majority of their number, but may authorize one or more of them to sign all papers on their behalf.

2.12 CLAIMS PROCEDURE

Claims for benefits under the Plan may be filed with the Administrator on forms supplied by the Employer. Written notice of the disposition of a claim shall be furnished to the claimant within 90 days after the application is filed. In the event the claim is denied, the reasons for the denial shall be specifically set forth in the notice in language calculated to be understood by the claimant, pertinent provisions of the Plan shall be cited, and, where appropriate, an explanation as to how the claimant can perfect the claim will be provided. In addition, the claimant shall be furnished with an explanation of the Plan's claims review procedure.

2.13 CLAIMS REVIEW PROCEDURE

Any Employee, former Employee, or Beneficiary of either, who has been denied a benefit by a decision of the Administrator pursuant to Section 2.12 shall be entitled to request the Administrator to give further consideration to his claim by filing with the Administrator (on a form which may be obtained from the Administrator) a request for a hearing. Such request, together with a written statement of the reasons why the claimant believes his claim should be allowed, shall be filed with the Administrator no later than 60 days after receipt of the written notification provided for in Section 2.12. The Administrator shall then conduct a hearing within the next 60 days, at which the claimant may be represented by an attorney or any other representative of his choosing and at which the claimant shall have an opportunity to submit written and oral evidence and arguments in support of his claim. At the hearing (or prior thereto upon 5 business days written notice to the Administrator) the claimant or his representative shall have an opportunity to review all documents in the possession of the Administrator which are pertinent to the claim at issue and its disallowance. Either the claimant or the Administrator may cause a court reporter to attend the hearing and record the proceedings. In such event, a complete written transcript of the proceedings shall be furnished to both parties by the court reporter. The full expense of any such court reporter and such transcripts shall be borne by the party causing the court reporter to attend the hearing. A final decision as to the allowance of the claim shall be made by the Administrator within 60 days of receipt of the appeal (unless there has been an extension of 60 days due to special circumstances, provided the delay and the special circumstances occasioning it are communicated to the claimant within the 60 day period). Such communication shall be written in a manner calculated to be understood by the claimant and shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based.

ARTICLE III
ELIGIBILITY

3.1 CONDITIONS OF ELIGIBILITY

Any Eligible Employee who has completed two (2) Years of Service and has reached his 21st birthday shall be eligible to participate hereunder as of the date he has satisfied such requirements. The Employer shall give each prospective Eligible Employee written notice of his eligibility to participate in the Plan prior to the close of the Plan Year in which he first becomes an Eligible Employee.

3.2 APPLICATION FOR PARTICIPATION

In order to become a Participant hereunder, each Eligible Employee must make application to the Employer for participation in the Plan and agree to the terms hereof. In the event any Employee otherwise qualified to become a Participant fails to file such application, the Employer shall file such application on behalf of such Employee on a nondiscriminatory basis. Upon the acceptance of any benefits under this Plan, such Employee shall automatically be bound by the terms and conditions of the Plan and all amendments hereto.

3.3 EFFECTIVE DATE OF PARTICIPATION

An Eligible Employee shall become a Participant effective as of the first day of the Plan Year in which such Employee met the eligibility requirements of Section 3.1 if such eligibility requirements were met during the first six months of that Plan Year, or, if such Employee met the eligibility requirements of Section 3.1 during the last six months of a Plan Year, then the Employee shall become a Participant effective as of the first day of the next succeeding Plan Year if still employed or the date of rehire if a 1-Year Break in Service has not occurred.

3.4 DETERMINATION OF ELIGIBILITY

The Administrator shall determine the eligibility of each Employee for participation in the Plan based upon information furnished by the Employer. Such determination shall be conclusive and binding upon all persons, as long as the same is made pursuant to the Plan and the Act. Such determination shall be subject to review per Section 2.13.

3.5 TERMINATION OF ELIGIBILITY

In the event a Participant shall go from a classification of an Eligible Employee to a noneligible Employee, such Former Participant shall continue to vest in his Accrued Benefit under the Plan for each Year of Service completed while a noneligible employee, until such time as his Accrued Benefit shall be forfeited or distributed pursuant to the terms of the Plan.

3.6 ELECTION NOT TO PARTICIPATE

Notwithstanding Section 3.2, an Employee may, subject to the approval of the Employer, elect voluntarily not to participate in the Plan. The election not to participate must be communicated to the Employer in writing at least thirty (30) days before the beginning of a Plan Year.

A Participant making this election shall have the right to modify or revoke this election during a subsequent Plan Year. However, in no event shall a Participant's Accrued Benefit be reduced. Benefit decreases caused as a result of this election shall be recognized notwithstanding provisions to the contrary in Section 5.1. Benefit increases as a result of the revocation or modification of this election in any Plan Year subsequent to a Plan Year in which benefits have been decreased pursuant to such election, shall be treated as benefit increases resulting from a Plan amendment. Accordingly, funding for such increases shall be based upon reasonable actuarial assumptions commonly utilized to fund benefit increases resulting from a Plan amendment. Furthermore, such benefit increases shall be subject to those restrictions imposed upon distribution of benefits upon early termination in Section 9.2.

ARTICLE IV CONTRIBUTION AND VALUATION

4.1 PAYMENT OF CONTRIBUTIONS

No contribution shall be required under the Plan from any Participant. The Employer shall pay to the Trustee from time to time such amounts in cash or property acceptable to the Trustee as the Administrator and Employer shall determine to be necessary to provide the benefits under the Plan determined by the application of accepted actuarial methods and assumptions. The method of funding shall be consistent with Plan objectives.

4.2 ACTUARIAL METHODS

In establishing the liabilities under the Plan and contributions thereto, the enrolled actuary will use such methods and assumptions as will reasonably reflect the cost of the

benefits. The Plan assets are to be valued on the basis of any reasonable method of valuation that takes into account fair market value pursuant to regulations prescribed by the Secretary of Treasury. There must be an actuarial valuation of the Plan at least once every 3 years.

4.3 TRANSFERS FROM QUALIFIED PLANS

(a) With the consent of the Administrator, amounts may be transferred from other qualified plans, provided that the trust from which such funds are transferred permits the transfer to be made and, in the opinion of legal counsel for the Employer, the transfer will not jeopardize the tax exempt status of the Plan or Trust or create adverse tax consequences for the Employer. The amounts transferred shall be considered an additional Accrued Benefit and set up in a separate account herein referred to as a "Participant's Rollover Account". Such account shall be fully Vested at all times and shall not be subject to forfeiture for any reason.

(b) Amounts in a Participant's Rollover Account shall be held by the Trustee pursuant to the provisions of this Plan, and such amounts shall not be subject to forfeiture for any reason and may not be withdrawn by, or distributed to the Participant, in whole or in part, except as provided in Paragraph (c) of this Section.

(c) At Normal Retirement Date, or such other date when the Participant or his Beneficiary shall be entitled to receive benefits, the Accrued Benefit shall be used to provide additional benefits to the Participant.

(d) The Administrator may direct that employee transfers made after the first month of the Plan Year pursuant to this Section be segregated into a separate account for each Participant in a federally insured savings account, certificate of deposit in a bank or savings and loan association, money market certificate, or other short term debt security acceptable to the Trustee until the first day of the following Plan Year, at which time they shall be invested as determined by the Administrator pursuant to Section 4.3(e).

(e) The Accrued Benefit under this Section shall be the balance of a "Participant's Rollover Account" as of any applicable date. Unless the Administrator directs that the Participant's Rollover Account be

segregated into a separate account for each Participant in a federally insured savings account, certificate of deposit in a bank or savings and loan association, money market certificate, or other short term debt security acceptable to the Trustee, it shall be invested as part of the general Trust Fund and share in earnings and losses. Except, however, deposits into the general Trust Fund after the first month of the Plan Year shall not share in earnings and losses for such year.

(f) For purposes of this Section, the term "amounts transferred from other qualified plans" shall mean: (i) amounts transferred to this Plan directly from another qualified plan; (ii) lump-sum distributions received by an Employee from another qualified plan which are eligible for tax free rollover to a qualified plan and which are transferred by the Employee to this Plan within sixty (60) days following his receipt thereof; (iii) amounts transferred to this Plan from a conduit individual retirement account provided that the conduit individual retirement account has no assets other than assets which (A) were previously distributed to the Employee by another qualified corporate (and, after December 31, 1983, noncorporate) plan as a lump-sum distribution (B) were eligible for tax free rollover to a qualified corporate or noncorporate plan and (C) were deposited in such conduit individual retirement account within sixty (60) days of receipt thereof and other than earnings on said assets; and (iv) amounts distributed to the Employee from a conduit individual retirement account meeting the requirements of clause (iii) above, and transferred by the Employee to this Plan within sixty (60) days of his receipt thereof from such conduit individual retirement account. Prior to accepting any transfers to which this Section applies, the Administrator may require the Employee to establish that the amounts to be transferred to this Plan meet the requirements of this Section and may also require the Employee to provide an opinion of counsel satisfactory to the Employer that the amounts to be transferred meet the requirements of this Section.

(g) For purposes of this Section, the term "qualified plan" shall mean any tax qualified plan under Code Section 401(a).

ARTICLE V
BENEFITS

5.1 RETIREMENT BENEFITS

(a) The amount of monthly retirement benefit to be provided for each Participant who retires on his Normal Retirement Date (which benefit is herein called his Normal Retirement Benefit), shall be equal to 100% of such Participant's Average Monthly Compensation, computed to the nearest dollar.

Notwithstanding the above, a Participant's Normal Retirement Benefit shall not be less than his Accrued Benefit at his Normal Retirement Date.

(b) This Plan does not provide for a retirement date prior to Normal Retirement Date. In the event a Participant retires prior to his Normal Retirement Date, his benefit shall be the benefit payable per Section 5.6(a).

(c) The Normal Retirement Benefit payable to a Retired Participant pursuant to this Section 5.1 shall be a monthly pension commencing on his Retirement Date and continuing for life. The form of distribution of such benefit, however, shall be determined pursuant to the provisions of Section 5.7.

(d) At the request of a Participant he may be continued in employment beyond his Normal Retirement Date. In such event, the Participant shall commence receiving the payment of his monthly retirement benefits provided for in the Plan as though he had actually retired on his Normal Retirement Date. At the close of each Plan Year prior to his actual Retirement Date, such Participant shall be entitled to a monthly retirement benefit payable each subsequent Plan Year equal to the greater of (1) his monthly retirement benefit determined at the close of the prior Plan Year, or (2) his Accrued Benefit determined at the close of the Plan Year, offset by the actuarial value (determined pursuant to Section 1.3) of the total benefit distributions made by the close of the Plan Year.

Notwithstanding the above, any Participant who has not been credited with at least one (1) Hour of Service with respect to a Plan Year beginning after December 31, 1987, shall be entitled to a retirement

benefit commencing at his actual Retirement Date based on his Average Monthly Compensation, Years of Service and Compensation as of his actual Retirement Date. However, in any event, his retirement benefit commencing at his actual Retirement Date shall not be less than the Actuarial Equivalent of the benefit he would have received at his Normal Retirement Date.

(e) If a Former Participant again becomes a Participant, such renewed participation shall not result in duplication of benefits. Accordingly, if he has received a distribution of a Vested Accrued Benefit under the Plan by reason of prior participation (and such distribution has not been repaid to the Plan with interest within a period of the earlier of 5 years after the first date on which the Participant is subsequently reemployed by the Employer or the close of the first period of 5 consecutive 1-Year Breaks in Service commencing after the distribution), his Normal Retirement Benefit and Accrued Benefit shall be reduced by the Actuarial Equivalent (at the date of distribution) of the present value of the Accrued Benefit as of the date of distribution. Any repayment by a Participant shall be equal to the total of:

(1) the amount of the distribution,

(2) interest on such distribution compounded annually at the rate of 5 percent per annum from the date of distribution to the date of repayment or to the last day of the Plan Year ending after December 31, 1987, if earlier, and

(3) interest on the sum of (1) and (2) above compounded annually at the rate of 120 percent of the federal mid-term rate (as in effect under Code Section 1274 for the first month of a Plan Year) from the beginning of the first Plan Year beginning after December 31, 1987 or the date of distribution, whichever is later, to the date of repayment.

5.2 MINIMUM BENEFIT REQUIREMENT FOR TOP HEAVY PLAN

(a) The minimum Accrued Benefit derived from Employer contributions to be provided under this Section for each Non-Key Employee who is a Participant during a Top Heavy Plan Year shall equal the product of (1) one-twelfth (1/12th) of "415 Compensation" averaged over the five (5) consecutive "limitation years" (or

actual number of "limitation years", if less) which produce the highest average and (2) the lesser of (1) two percent (2%) multiplied by Years of Service or (ii) twenty percent (20%).

(b) For purposes of providing the minimum benefit under Code Section 416, a Non-Key Employee who is not a Participant solely because (1) his Compensation is below a stated amount or (2) he declined to make mandatory contributions to the Plan will be considered to be a Participant. Furthermore, such minimum benefit shall be provided regardless of whether such Non-Key Employee is employed on a specified date.

(c) For purposes of this Section, Years of Service for any Plan Year beginning before January 1, 1984, or for any Plan Year during which the Plan was not a Top Heavy Plan shall be disregarded.

(d) For purposes of this Section, "415 Compensation" for any "limitation year" ending in a Plan Year which began prior to January 1, 1984, subsequent to the last "limitation year" during which the Plan is a Top Heavy Plan, or in which the Participant failed to complete a Year of Service, shall be disregarded.

(e) For the purposes of this Section, "415 Compensation" shall be as defined in Section 6.2(b), and shall, for Plan Years beginning prior to January 1, 1989, be limited to \$200,000 in Top Heavy Plan Years. Thereafter, "415 Compensation" shall be limited to \$200,000 in all Plan Years (unless adjusted in such manner as permitted under Code Section 415(d)).

(f) If Section 5.1(c) provides for the Normal Retirement Benefit to be paid in a form other than a single life annuity, the Accrued Benefit under this Section shall be the Actuarial Equivalent of the minimum Accrued Benefit under (a) above pursuant to Section 1.3.

(g) If payment of the minimum Accrued Benefit commences at a date other than Normal Retirement Date, the minimum Accrued Benefit shall be the Actuarial Equivalent of the minimum Accrued Benefit commencing at Normal Retirement Date pursuant to Section 1.3.

(h) For any Plan Year when (1) the Plan is a Top Heavy Plan but not a Super Top Heavy Plan and (2) a Key Employee is a Participant in both this Plan and a defined contribution plan included in a required Aggregation Group which is top heavy, the extra minimum Accrued Benefit (required by Sections 6.6(c)(8) and 6.6(d) to provide the higher limitations) shall be provided for each Non-Key Employee who is a Participant by substituting three percent (3%) for two percent (2%) and thirty percent (30%) for twenty percent (20%) in (a) above.

(i) If a Non-Key Employee participates in this Plan and a defined contribution plan included in a Required Aggregation Group which is top heavy, the minimum benefits shall be provided under this Plan.

(j) To the extent required to be nonforfeitable under Section 5.6, the minimum Accrued Benefit under this Section may not be forfeited under Code Section 411(a)(3)(B) or Code Section 411(a)(3)(D).

5.3 PAYMENT OF RETIREMENT BENEFITS

When a Participant retires, the Administrator shall immediately take all necessary steps and execute all required documents to cause the payment to him of the retirement benefit available to him under the Plan or his Accrued Benefit if greater.

5.4 DISABILITY RETIREMENT BENEFITS

(a) If a Participant becomes Totally and Permanently Disabled pursuant to Section 1.47 prior to retirement or separation from service, and such condition continues for a period of six (6) consecutive months and by reason thereof such Participant's status as an Employee ceases, then said disabled Participant shall be entitled to receive his Present Value of Accrued Benefit. As of the Anniversary Date coinciding with or next following the event of a Participant's Total and Permanent Disability, the Administrator shall direct the Trustee to commence payment of the benefits payable hereunder pursuant to the provisions of Sections 5.7 and 5.9 as though he had retired.

(b) The benefit payable pursuant to (a) above shall be computed as of the Anniversary Date subsequent to termination of employment.

(c) In the event of the Terminated Participant's Total and Permanent Disability subsequent to his termination of employment, the Terminated Participant (or his Beneficiary) shall receive the Present Value of his Vested Accrued Benefit as of the Anniversary Date coinciding with or next following the date of his Total and Permanent Disability.

5.5 DEATH BENEFITS

(a) On the Anniversary Date coinciding with or next following a Participant's satisfaction of the eligibility requirements of Section 3.1, the Administrator may instruct the Trustees to purchase a life insurance Contract with a face amount to be determined by the Administrator using a uniform nondiscriminatory policy consistently applied. Additional life insurance Contracts shall be purchased and/or surrendered on subsequent Anniversary Dates as are necessary pursuant to the policy established by the Administrator.

(b) Death benefits payable by reason of the death of a Participant or a Retired Participant shall be paid to his Beneficiary in accordance with the following provisions:

(i) Upon the death of a Participant prior to his Retirement Date, his Beneficiary shall be entitled to a death benefit in an amount equal to the Present Value of Accrued Benefit as of the Anniversary Date coinciding with or subsequent to death and any additional Policy proceeds payable at death in accordance with this Section 5.5.

(ii) If life insurance is issued on behalf of a Participant, and, less than two-thirds of the Plan's normal cost for the Participant under the Typical Level Premium Cost Method has been invested in life insurance premiums, having cash surrender value on the Participant's life or, if less than one-third of the Plan's normal cost under the Typical Level Premium Cost Method is used to purchase term insurance, the pre-retirement death benefit for that Participant shall be limited to the insurance in force minus the cash value,

plus the reserve calculated under the Typical Level Premium Cost Method using the actuarial assumptions stated in Section 1.3.

If the limitations set forth in this subparagraph are exceeded, then such death benefit shall be equal to the insurance that would have been provided if the premium payments satisfied such limitations, minus the cash value of such Policies attributable to the reduced premiums, plus the reserve calculated under the Typical Level Premium Cost Method using the actuarial assumptions stated in Section 1.3. The additional Policy proceeds shall inure to the Trust Fund and be used to reduce the future contributions of the Employer.

(iii) Upon the death of a Participant subsequent to his Retirement Date, but prior to commencement of his retirement benefits, his Beneficiary shall be entitled to a death benefit in an amount equal to the Actuarial Equivalent of the benefit the Participant would have received at his Retirement Date credited with interest subsequent to such date at the rate determined under Section 411(c)(2)(C) of the Code, if applicable.

(iv) Upon the death of a Participant subsequent to the commencement of his retirement benefits, his Beneficiary shall be entitled to whatever death benefit may be available under the settlement arrangements pursuant to which the Participant's benefit is made payable.

(v) In the event of a Terminated Participant's death subsequent to his termination of employment, his Beneficiary shall receive the Present Value of such Participant's Vested Accrued Benefit as of the Anniversary Date coinciding with or next following the date of his death.

(c) For a Participant who is found by the Administrator to be insurable only at a mortality classification other than standard, the Trustees on a uniform and nondiscriminatory basis shall either (1)

purchase an insurance Contract, with a face amount that can be purchased at the standard rate for coverage as provided in Section 5.5(a) for such Participant if he could obtain such coverage, (2) purchase such insurance Contract, and pay the additional premium attributable to the excess mortality hazards, or (3) allow the Participant the right to pay the additional premium attributable to the excess mortality hazards. If a Participant is determined to be uninsurable, no life insurance Contract shall be required to be purchased on the life of such Participant.

(d) The Administrator may require such proper proof of death and such evidence of the right of any person to receive the death benefit payable as a result of the death of a Participant as the Administrator may deem desirable. The Administrator's determination of death and the right of any person to receive payment shall be conclusive.

(e) Unless otherwise elected in the manner prescribed in Section 5.8, the Beneficiary of the death benefit shall be the Participant's spouse, who shall receive such benefit in the form of a Pre-Retirement Survivor Annuity pursuant to Section 5.8. Except, however, the Participant may designate a Beneficiary other than his spouse if:

(i) the Participant and his spouse have validly waived the Pre-Retirement Survivor Annuity in the manner prescribed in Section 5.8, and the spouse has waived his or her right to be the Participant's Beneficiary, or

(ii) the Participant has no spouse, or

(iii) the spouse cannot be located.

In such event, the designation of a Beneficiary shall be made on a form satisfactory to the Administrator. A Participant may at any time revoke his designation of a Beneficiary or change his Beneficiary by filing written notice of such revocation or change with the Administrator. However, the Participant's spouse must again consent in writing to any change in Beneficiary unless the original consent acknowledged that the spouse had the right to limit consent only to a specific Beneficiary and that the spouse voluntarily

elected to relinquish such right. In the event no valid designation of Beneficiary exists at the time of the Participant's death, the death benefit shall be payable to his estate.

(f) The benefit payable under this Section shall be paid pursuant to the provisions of Sections 5.8 and 5.9.

(g) If a Participant dies before any insurance coverage to which he is entitled under the Plan is effected, his death benefit from such insurance coverage shall be limited to the standard-rated premium which was or should have been used for such purpose.

(h) In no event shall the death benefit payable to a surviving spouse be less than the Actuarial Equivalent of the "minimum spouse's death benefit."

(i) For the purposes of this Section, the "minimum spouse's death benefit" means a death benefit for a Vested married Participant payable in the form of a Pre-Retirement Survivor Annuity. Such annuity payments shall be equal to the amount which would be payable as a survivor annuity under the joint and survivor annuity provisions of the Plan if:

(1) in the case of a Participant who dies after the Earliest Retirement Age, such Participant had retired with an immediate joint and survivor annuity on the day before the Participant's date of death, or

(2) in the case of a Participant who dies on or before the Earliest Retirement Age, such Participant had:

(i) separated from service on the date of his death,

(ii) survived to the Earliest Retirement Age,

(iii) retired with an immediate joint and survivor annuity at the Earliest Retirement Age based on his Vested Accrued Benefit on his date of death, and

(iv) died on the day after the day on which said Participant would have attained the Earliest Retirement Age.

5.6 TERMINATION OF EMPLOYMENT BEFORE RETIREMENT

(a) When a Participant has incurred a 1-Year Break in Service, his participation in the Plan shall cease. Payment to a Former Participant of the Vested portion of his Accrued Benefit, unless he otherwise elects, shall begin not later than the 60th day after the close of the Plan Year in which the latest of the following events occurs: (1) the date on which the Participant attains the earlier of age 65 or the Normal Retirement Age specified herein; (2) the 10th anniversary of the year in which the Participant commenced participation in the Plan; or (3) the date the Participant terminates his service with the Employer.

However, the Administrator shall direct the earlier payment of the entire Vested portion of the Present Value of Accrued Benefit, but only if it is \$3,500 or less.

That portion of a Terminated Participant's Accrued Benefit that is not Vested shall be forfeited and used only to reduce future costs of the Plan.

(b) A Participant shall become fully Vested in his Participant's Accrued Benefit immediately upon entry into the Plan.

(c) The computation of a Participant's nonforfeitable percentage of his interest in the Plan shall not be reduced as the result of any direct or indirect amendment to this Article. In the event that the Plan is amended to change or modify any vesting schedule, a Participant with at least three (3) Years of Service as of the expiration date of the election period may elect to have his nonforfeitable percentage computed under the Plan without regard to such amendment. Notwithstanding the foregoing, for Plan Years beginning before December 31, 1988, or with respect to Employees who fail to complete at least one (1) Hour of Service in a Plan Year beginning after December 31, 1988, five (5) shall be substituted for three (3) in the preceding sentence. If a Participant fails to make such election, then such Participant

shall be subject to the new vesting schedule. The Participant's election period shall commence on the adoption date of the amendment and shall end 60 days after the latest of:

- (i) the adoption date of the amendment,
- (ii) the effective date of the amendment, or
- (iii) the date the Participant receives written notice of the amendment from the Employer or Administrator.

5.7 DISTRIBUTION OF BENEFITS

(a)(1) Unless otherwise elected as provided below, a Participant who is married on the "annuity starting date" and who does not die before the "annuity starting date" shall receive the value of his benefits in the form of a joint and survivor annuity. The joint and survivor annuity shall be the Actuarial Equivalent of a single life annuity. Such joint and survivor benefits following the Participant's death shall continue to the spouse during the spouse's lifetime at a rate equal to 50% of the rate at which such benefits were payable to the Participant. The Participant may elect to receive a smaller annuity benefit with continuation of payments to the spouse at a rate of seventy-five percent (75%) or one hundred percent (100%) of the rate payable to a Participant during his lifetime. An unmarried Participant shall receive the value of his benefit in the form of a life annuity. Such unmarried Participant, however, may elect in writing to waive the life annuity. The election must comply with the provisions of this Section as if it were an election to waive the joint and survivor annuity by a married Participant, but without the spousal consent requirement. The joint and survivor annuity and the life annuity form of distribution shall be the Actuarial Equivalent of the benefits due the Participant.

(2) Any election to waive the joint and survivor annuity must be made by the Participant in writing during the election period and be consented to by the Participant's spouse. Such election shall designate a Beneficiary (or a form of benefits) that may not be changed without spousal consent (unless the consent of the spouse expressly permits designations by the Participant

without the requirement of further consent by the spouse). Such spouse's consent shall be irrevocable and must acknowledge the effect of such election and be witnessed by a Plan representative or a notary public. Such consent shall not be required if it is established to the satisfaction of the Administrator that the required consent cannot be obtained because there is no spouse, the spouse cannot be located, or other circumstances that may be prescribed by Regulations. The election made by the Participant and consented to by his spouse may be revoked by the Participant in writing without the consent of the spouse at any time during the election period. The number of revocations shall not be limited. Any new election must comply with the requirements of this paragraph. A former spouse's waiver shall not be binding on a new spouse.

(3) The election period to waive the joint and survivor annuity shall be the 90 day period ending on the "annuity starting date."

(4) For purposes of this Section, the "annuity starting date" means the first day of the first period for which an amount is payable as an annuity, or, in the case of a benefit not payable in the form of an annuity, the first day on which all events have occurred which entitles the Participant to such benefit.

(5) With regard to the election, the Administrator shall provide the Participant within a reasonable period of time before the "annuity starting date" (and consistent with Regulations), a written explanation of:

(i) the terms and conditions of the joint and survivor annuity, and

(ii) the Participant's right to make an election to waive the joint and survivor annuity, and

(iii) the right of the Participant's spouse to consent to any election to waive the joint and survivor annuity, and

(iv) the right of the Participant to revoke such election, and the effect of such revocation.

(6) The distribution of a benefit in the form of a joint and survivor annuity shall require the Participant's consent if such distribution commences prior to the later of his Normal Retirement Age or age 62.

(b) In the event a married Participant duly elects pursuant to paragraph (a)(2) above not to receive the retirement benefit in the form of a joint and survivor annuity, or if such Participant is not married, in the form of a life annuity, the Administrator shall direct the Trustee to distribute to a Participant or his Beneficiary an amount which is the Actuarial Equivalent of the monthly retirement benefit provided in Section 5.1(c) in one or more of the following methods as elected by the Participant:

(i) One lump-sum payment in cash or in property;

(ii) Payments over a period certain in monthly, quarterly, semiannual, or annual cash installments. The period over which such payment is to be made shall not extend beyond the Participant's life expectancy (or the life expectancy of the Participant and his designated Beneficiary).

(iii) Purchase of or providing an annuity. However, such annuity may not be in any form that will provide for payments over a period extending beyond either the life of the Participant (or the lives of the Participant and his designated Beneficiary) or the life expectancy of the Participant (or the life expectancy of the Participant and his designated Beneficiary).

(c) The present value of a Retired Participant's joint and survivor annuity derived from Employer and Employee contributions may not be paid without his written consent if the value exceeds \$3,500. Further, the spouse of a Retired Participant must consent in writing to any immediate distribution. If the value of

the Retired Participant's benefit derived from Employer and Employee contributions does not exceed \$3,500, the Administrator may immediately distribute such benefit without such Retired Participant's consent. No distribution may be made under the preceding sentence after the annuity starting date unless the Participant and his spouse consent in writing to such distribution. Any written consent required under this paragraph must be obtained not more than 90 days before commencement of the distribution and shall be made in a manner consistent with Section 5.7(a)2. The Present Value of Accrued Benefit in this regard shall be determined as provided in Section 1.37.

(d) Notwithstanding any provision in the Plan to the contrary, the distribution of a Participant's benefits, whether under the Plan or through the purchase of an annuity contract, shall be made in accordance with the following requirements and shall otherwise comply with Code Section 401(a)(9) and the Regulations thereunder (including Regulation Section 1.401(a)(9)-2):

(1) A Participant's benefits shall be distributed to him not later than April 1st of the calendar year following the later of (i) the calendar year in which the Participant attains age 70 1/2 or (ii) the calendar year in which the Participant retires, provided, however, that this clause (ii) shall not apply in the case of a Participant who is a "five (5) percent owner" at any time during the 5-plan year period ending in the calendar year in which he attains age 70 1/2 or, in the case of a Participant who becomes a "five (5) percent owner" during any subsequent Plan Year, clause (ii) shall no longer apply and the required beginning date shall be the April 1st of the calendar year following the calendar year in which such subsequent Plan Year ends. Alternatively, distributions to a Participant must begin no later than the applicable April 1st as determined under the preceding sentence and must be made over the life of the Participant (or the lives of the Participant and the Participant's designated Beneficiary) or the life expectancy of the Participant (or the life expectancies of the Participant and his designated Beneficiary) in accordance with Regulations. For Plan Years beginning after

December 31, 1988, clause (ii) above shall not apply to any Participant unless the Participant had attained age 70 1/2 before January 1, 1988 and was not a "five (5) percent owner" at any time during the Plan Year ending with or within the calendar year in which the Participant attained age 66 1/2 or any subsequent Plan Year.

(2) Distributions to a Participant and his Beneficiaries shall only be made in accordance with the incidental death benefit requirements of Code Section 401(a)(9)(G) and the Regulations thereunder. Additionally, for calendar years beginning before 1989, distributions may also be made under an alternative method which provides that the then present value of the payments to be made over the period of the Participant's life expectancy exceeds fifty percent (50%) of the then present value of the total payments to be made to the Participant and his Beneficiaries.

(e) For purposes of this Section, the life expectancy of a Participant and a Participant's spouse (other than in the case of a life annuity) may, at the election of the Participant or the Participant's spouse, be redetermined in accordance with Regulations. The election, once made, shall be irrevocable. If no election is made by the time distributions must commence, then the life expectancy of the Participant and the Participant's spouse shall not be subject to recalculation.

5.8 DISTRIBUTION OF BENEFITS UPON DEATH

(a) Unless otherwise elected as provided below, a Vested Participant who dies before the annuity starting date and who has a surviving spouse shall have his death benefit paid to his surviving spouse in the form of a Pre-Retirement Survivor Annuity. The Participant's spouse may direct that payment of the Pre-Retirement Survivor Annuity commence not later than the month in which the Participant would have attained the Earliest Retirement Age under the Plan. If the spouse does not so direct, payment of such benefit will commence at the time the Participant would have attained the later of his Normal Retirement Age or age 62. However, the spouse may elect a later commencement date, subject to the rules specified in Section 5.8(g).

(b) Any election to waive the Pre-Retirement Survivor Annuity before the Participant's death must be made by the Participant in writing during the election period and shall require the spouse's irrevocable consent in the same manner provided for in Section 5.7(a)(2). Further, the spouse's consent must acknowledge the specific nonspouse Beneficiary or the alternative form of death benefit to be paid in lieu of the Pre-Retirement Survivor Annuity. Notwithstanding the foregoing, the nonspouse Beneficiary or the alternative form of death benefit need not be acknowledged, provided the consent of the spouse acknowledges that the spouse has the right to limit consent only to a specific Beneficiary or a specific form of benefit and that the spouse voluntarily elects to relinquish one or both of such rights.

(c) The election period to waive the Pre-Retirement Survivor Annuity shall begin on the first day of the Plan Year in which the Participant attains age 35 and end on the date of the Participant's death. In the event a Vested Participant separates from service prior to the beginning of the election period, the election period shall begin on the date of such separation from service.

(d) With regard to the election, the Administrator shall provide each Participant within the applicable period, with respect to such Participant (and consistent with Regulations), a written explanation of the Pre-Retirement Survivor Annuity containing comparable information to that required pursuant to Section 5.7(a)(5). For the purposes of this paragraph, the term "applicable period" means, with respect to a Participant, whichever of the following periods ends last:

(1) The period beginning with the first day of the Plan Year in which the Participant attains age 32 and ending with the close of the Plan Year preceding the Plan Year in which the Participant attains age 35;

(2) A reasonable period after the individual becomes a Participant. For this purpose, in the case of an individual who becomes a Participant after age 32, the explanation must be provided by the end of the three-year period beginning with the first day of the first Plan Year for which the individual is a Participant;

(3) A reasonable period ending after the Plan no longer fully subsidizes the cost of the Pre-Retirement Survivor Annuity with respect to the Participant;

(4) A reasonable period ending after Code Section 401(a)(11) applies to the Participant; or

(5) A reasonable period after separation from service in the case of a Participant who separates before attaining age 35. For this purpose, the Administrator must provide the explanation at the time of separation or within one year after separation.

(e) If the value of the Pre-Retirement Survivor Annuity derived from Employer and Employee contributions does not exceed \$3,500, the Administrator shall direct the immediate distribution of such amount to the Participant's spouse. No distribution may be made under the preceding sentence after the annuity starting date unless the spouse consents in writing. If the value exceeds \$3,500, an immediate distribution of the entire amount may be made to the surviving spouse, provided such surviving spouse consents in writing to such distribution. Any written consent required under this paragraph must be obtained not more than 90 days before commencement of the distribution and shall be made in a manner consistent with Section 5.7(a)2. The Present Value of Accrued Benefit in this regard shall be determined as provided in Section 1.37.

(f)(1) In the event the death benefit is not paid in the form of a Pre-Retirement Survivor Annuity, it shall be paid to the Participant's Beneficiary by either of the following methods, as elected by the Participant (or if no election has been made prior to the Participant's death, by his Beneficiary) subject to the rules specified in Section 5.8(g):

(i) One lump-sum payment in cash or in property;

(ii) Payment in monthly, quarterly, semi-annual, or annual cash installments over a period to be determined by the Participant or his Beneficiary. After periodic installments commence, the Beneficiary shall have the right to direct

the Trustee to reduce the period over which such periodic installments shall be made, and the Trustee shall adjust the cash amount of such periodic installments accordingly.

(2) In the event the death benefit payable pursuant to Section 5.5 is payable in installments, then, upon the death of the Participant, the Administrator shall direct the Trustee to segregate into a separate Trust Fund(s) the death benefit as provided in Section 5.5(a), and the Trustee shall invest such segregated Trust Funds separately, and the funds accumulated in such Trust Fund(s) shall be used for the payment of the installments hereinabove provided.

(3) The Administrator, at the election of the Participant's Beneficiary, shall direct the Trustee to accelerate any installment payment to a Participant's Beneficiary.

(g) Notwithstanding any provision in the Plan to the contrary, distributions upon the death of a Participant shall be made in accordance with the following requirements and shall otherwise comply with Code Section 401(a)(9) and the Regulations thereunder. If it is determined, pursuant to Regulations, that the distribution of a Participant's interest has begun and the Participant dies before his entire interest has been distributed to him, the remaining portion of such interest shall be distributed at least as rapidly as under the method of distribution selected pursuant to Section 5.7 as of his date of death. If a Participant dies before he has begun to receive any distributions of his interest under the Plan or before distributions are deemed to have begun pursuant to Regulations, then his death benefit shall be distributed to his Beneficiaries by December 31st of the calendar year in which the fifth anniversary of his date of death occurs. However, the 5-year distribution requirement of the preceding sentence shall not apply to any portion of the deceased Participant's interest which is payable to or for the benefit of a designated Beneficiary. In such event, such portion shall be distributed over the life of such designated Beneficiary (or over a period not extending beyond the life expectancy of such designated Beneficiary) provided such distribution begins not later than December 31st of the calendar

year immediately following the calendar year in which the Participant died. Except, however, in the event the Participant's spouse (determined as of the date of the Participant's death) is his Beneficiary, the requirement that distributions commence within one year of a Participant's death shall not apply. In lieu thereof, distributions must commence on or before the later of: (1) December 31st of the calendar year immediately following the calendar year in which the Participant died; or (2) December 31st of the calendar year in which the Participant would have attained age 70 1/2. If the surviving spouse dies before distributions to such spouse begin, then the 5-year distribution requirement of this Section shall apply as if the spouse was the Participant.

(h) For purposes of this Section, the life expectancy of a Participant and a Participant's spouse (other than in the case of a life annuity) may, at the election of the Participant or the Participant's spouse, be redetermined in accordance with Regulations. The election, once made, shall be irrevocable. If no election is made by the time distributions must commence, then the life expectancy of the Participant and the Participant's spouse shall not be subject to recalculation.

5.9 TIME OF SEGREGATION OR DISTRIBUTION

Except as limited by Sections 5.7 and 5.8, whenever the Trustee is to make a distribution or to commence a series of payments on or as of an Anniversary Date, the distribution or series of payments may be made or begun on such date or as soon thereafter as is practicable, but in no event later than 180 days after the Anniversary Date. Except, however, unless a Former Participant elects in writing to defer the receipt of benefits (such election may not result in a death benefit that is more than incidental), the payment of benefits shall begin not later than the 60th day after the close of the Plan Year in which the latest of the following events occurs: (a) the date on which the Participant attains the earlier of age 65 or the Normal Retirement Age specified herein; (b) the 10th anniversary of the year in which the Participant commenced participation in the Plan; or (c) the date the Participant terminates his service with the Employer.

5.10 DISTRIBUTION FOR MINOR BENEFICIARY

In the event a distribution is to be made to a minor, then the Administrator may direct that such distribution be paid to the legal guardian, or if none, to a parent of such

Beneficiary or a responsible adult with whom the Beneficiary maintains his residence, or to the custodian for such Beneficiary under the Uniform Gift to Minors Act or Gift to Minors Act, if such is permitted by the laws of the state in which said Beneficiary resides. Such a payment to the legal guardian, custodian or parent of a minor Beneficiary shall fully discharge the Trustee, Employer, and Plan from further liability on account thereof.

5.11 MINIMUM BENEFITS PAYABLE

Notwithstanding the provisions of Sections 5.1(b) and 5.4, the benefits payable to a Participant or a Beneficiary pursuant to such Sections shall not be less than a Participant's Present Value of Vested Accrued Benefit as of the date of distribution.

5.12 LOCATION OF PARTICIPANT OR BENEFICIARY UNKNOWN

In the event that all, or any portion, of the distribution payable to a Participant or his Beneficiary hereunder shall, at the expiration of five (5) years after it shall become payable, remain unpaid solely by reason of the inability of the Administrator, after sending a registered letter, return receipt requested, to the last known address, and after further diligent effort, to ascertain the whereabouts of such Participant or his Beneficiary, the amount so distributable shall be forfeited and shall be used to reduce the cost of the Plan. In the event a Participant or Beneficiary is located subsequent to his benefit being forfeited, such benefit shall be restored.

5.13 EFFECT OF SOCIAL SECURITY ACT

Benefits being paid to a Participant or Beneficiary under the terms of the Plan may not be decreased by reason of any post-separation Social Security benefit increases or by the increase of the Social Security wage base under Title II of the Social Security Act. Benefits to which a Former Participant has a Vested interest may not be decreased by reason of an increase in a benefit level or wage base under Title II of the Social Security Act.

5.14 LIMITATIONS ON BENEFITS

All rights and benefits, including elections, provided to a Participant in this Plan shall be subject to the rights afforded to any "alternate payee" under a "qualified domestic relations order" as those terms are defined in Code Section 414(p).

ARTICLE VI
CODE SECTION 415 LIMITATIONS

6.1 ANNUAL BENEFIT

For purposes of this Article, "annual benefit" means the benefit payable annually under the terms of the Plan (exclusive of any benefit not required to be considered for purposes of applying the limitations of Code Section 415 to the Plan) payable in the form of a straight life annuity with no ancillary benefits. If the benefit under the Plan is payable in any other form, the "annual benefit" shall be adjusted to the equivalent of a straight life annuity pursuant to Section 6.3(c).

6.2 MAXIMUM ANNUAL BENEFIT

(a) Notwithstanding the foregoing and subject to the exceptions below, the maximum "annual benefit" payable to a Participant under this Plan in any "limitation year" shall equal the lesser of: (1) \$90,000 or (2) one hundred percent (100%) of the Participant's "415 Compensation" averaged over the three consecutive "limitation years" (or actual number of "limitation years" for Employees who have been employed for less than three consecutive "limitation years") during which the Employee had the greatest aggregate "415 Compensation" from the Employer.

(b) For purposes of applying the limitations of Code Section 415, "415 Compensation" shall include the Participant's wages, salaries, fees for professional service and other amounts for personal services actually rendered in the course of employment with an Employer maintaining the Plan (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips and bonuses and in the case of a Participant who is an Employee within the meaning of Code Section 401(c)(1) and the regulations thereunder, the Participant's earned income (as described in Code Section 401(c)(2) and the regulations thereunder)) paid or accrued during the "limitation year". "415 Compensation" shall exclude - (1)(A) contributions made by the Employer to a plan of deferred compensation to the extent that, before the application of the Code Section 415 limitations to the Plan, the contributions are not includable in the gross income of the Employee for the taxable year in which contributed, (B) Employer contributions made on behalf of an Employee to a simplified employee pension plan described in Code Section 408(k) to the extent such

contributions are excludable from the Employee's gross income, (C) any distributions from a plan of deferred compensation regardless of whether such amounts are includable in the gross income of the Employee when distributed except any amounts received by an Employee pursuant to an unfunded non-qualified plan to the extent such amounts are includable in the gross income of the Employee; (2) amounts realized from the exercise of a non-qualified stock option or when restricted stock (or property) held by an Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture; (3) amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and (4) other amounts which receive special tax benefits, such as premiums for group term life insurance (but only to the extent that the premiums are not includable in the gross income of the Employee), or contributions made by the Employer (whether or not under a salary reduction agreement) towards the purchase of any annuity contract described in Code Section 403(b) (whether or not the contributions are excludable from the gross income of the Employee). For Plan Years beginning after December 31, 1988, "415 Compensation" shall be limited to \$200,000 (unless adjusted in the same manner as permitted under Code Section 415(d)).

(c) For purposes of applying the limitations of Code Section 415, the "limitation year" shall be the Plan Year.

(d) Notwithstanding anything in this Article to the contrary, the maximum "annual benefit" for any Participant in a defined benefit plan in existence on July 1, 1982, shall not be less than the protected current accrued benefit, payable annually, provided for under question T-3 of Internal Revenue Service Notice 83-10.

(e) The dollar limitation under Code Section 415(b)(1)(A) stated in paragraph (a)(1) above shall be adjusted annually as provided in Code Section 415(d) pursuant to the Regulations. The adjusted limitation is effective as of January 1st of each calendar year and is applicable to "limitation years" ending with or within that calendar year.

(f) The limitation stated in paragraph (a)(2) above for Participants who have separated from service with a non-forfeitable right to an Accrued Benefit shall be adjusted annually as provided in Code Section 415(d) pursuant to the regulations prescribed by the Secretary of the Treasury.

(g) For the purpose of this Article, all qualified defined benefit plans (whether terminated or not) ever maintained by the Employer shall be treated as one defined benefit plan, and all qualified defined contribution plans (whether terminated or not) ever maintained by the Employer shall be treated as one defined contribution plan.

(h) For the purpose of this Article, if the Employer is a member of a controlled group of corporations, trades or businesses under common control (as defined by Code Section 1563(a) or Code Section 414(b) and (c) as modified by Code Section 415(h)) or is a member of an affiliated service group (as defined by Code Section 414(m)), all Employees of such Employers shall be considered to be employed by a single Employer.

(i) For the purpose of this Article, if this Plan is a Code Section 413(c) plan, all Employers of a Participant who maintain this Plan will be considered to be a single Employer.

6.3 ADJUSTMENTS TO ANNUAL BENEFIT AND LIMITATIONS

(a) If the "annual benefit" begins before the Participant's Social Security Retirement Age under the Social Security Act, then the \$90,000 limitation shall be reduced in such manner as the Secretary of the Treasury shall prescribe which is consistent with the reduction for old-age insurance benefits commencing before the Social Security Retirement Age under the Social Security Act.

(b) If the "annual benefit" begins after the Participant's Social Security Retirement Age the \$90,000 limitation shall be increased so that it is the actuarial equivalent of the \$90,000 limitation at the Participant's Social Security Retirement Age.

(c) For purposes of adjusting the "annual benefit" to a straight life annuity, the adjustment shall be made pursuant to Section 1.3 except that the interest rate assumption shall be the greater of five percent (5%) or the rate specified in Section 1.3.

(d) For purposes of adjusting the \$90,000 limitation applicable after the Participant's Social Security Retirement Age the adjustment shall be made pursuant to Section 1.3 except that the interest rate assumption shall be the lesser of five percent (5%) or the rate specified in Section 1.3 and the mortality decrement shall be ignored to the extent that a forfeiture does not occur at death.

(e) For purposes of Sections 6.1, 6.3(a) and 6.3(b), no adjustments under Code Section 415(d) shall be taken into account before the "limitation year" for which such adjustment first takes effect.

(f) For purposes of Section 6.1, no adjustment is required for qualified joint and survivor annuity benefits, pre-retirement death benefits and post-retirement medical benefits.

6.4 ANNUAL BENEFIT NOT IN EXCESS OF \$10,000

This Plan may pay an "annual benefit" to any Participant in excess of his maximum "annual benefit" if the "annual benefit" derived from Employer contributions under this Plan and all other defined benefit plans maintained by the Employer does not in the aggregate exceed \$10,000 for the "limitation year" or for any prior "limitation year" and the Employer has not at any time maintained a defined contribution plan in which the Participant participated. For purposes of this paragraph, if this Plan provides for voluntary or mandatory Employee contributions, such contributions will not be considered a separate defined contribution plan maintained by the Employer.

6.5 PARTICIPATION OR SERVICE REDUCTIONS

If a Participant has less than ten (10) years of participation in the Plan at the time he begins to receive benefits under the Plan, the limitations in Sections 6.2(a)(1) and 6.3 shall be reduced by multiplying such limitations by a fraction (a) the numerator of which is the number of years of participation (or part thereof) in the Plan and (b) the denominator of which is ten (10), provided, however, that said fraction shall in no event be less than 1/10th. The limitations of Sections 6.2(a)(2) and 6.4 shall be reduced in the same manner

except the preceding sentence shall be applied with respect to years of service with the Employer rather than years of participation in the Plan. Additionally, to the extent provided in Regulations, the above described reductions shall be applied separately with respect to each change in the benefit structure of the Plan.

6.6 MULTIPLE PLAN REDUCTION

(a) Subject to the exception in Section 6.6(f) below, if an Employee is (or has been) a Participant in one or more defined benefit plans and one or more defined contribution plans maintained by the Employer, the sum of the defined benefit plan fraction and the defined contribution plan fraction for any "limitation year" may not exceed 1.0.

(b) The defined benefit plan fraction for any "limitation year" is a fraction (1) the numerator of which is the projected "annual benefit" of the Participant under the Plan (determined as of the close of the "limitation year" pursuant to Regulation 1.415-7(b)(3)), and (2) the denominator of which is the greater of the product of 1.25 multiplied by the "annual benefit" described in 6.2(d); or the lesser of: (A) the product of 1.25 multiplied by the maximum dollar limitation provided under Section 6.2(a)(1) for such "limitation year", or (B) the product of 1.4 multiplied by the amount which may be taken into account under Section 6.2(a)(2) for such "limitation year".

(c)(1) The defined contribution plan fraction for any "limitation year" is a fraction (A) the numerator of which is the sum of the "annual additions" to the "participant's accounts" as of the close of the "limitation year" and (B) the denominator of which is the sum of the lesser of the following amounts determined for such year and each prior year of service with the Employer: (i) the product of 1.25 multiplied by the dollar limitation in effect under Code Section 415(c)(1)(A) for such "limitation year" (determined without regard to Code Section 415(c)(6)), or (ii) the product of 1.4 multiplied by the amount which may be taken into account under Code Section 415(c)(1)(B) for such "limitation year".

(2) Notwithstanding the foregoing, the numerator of the defined contribution plan fraction shall be adjusted pursuant to Regulation 1.415-7(d) and questions T-6 and T-7 of Internal Revenue Service Notice 83-10.

(3) For purposes of this Article, the term "participant's account" shall mean the account established and maintained by the Administrator for each Participant with respect to his total interest in the defined contribution plan maintained by the Employer resulting from "annual additions".

(4) For purposes of this Article, the term "annual additions" shall mean the sum credited to a "participant's account" for any "limitation year" of (A) Employer contributions, (B) Employee contributions, (C) Forfeitures, (D) amounts allocated after March 31, 1984, to an individual medical account, as defined in Code Section 415(1)(2) which is part of a pension or annuity plan maintained by the Employer, and (E) amounts derived from contributions paid or accrued after December 31, 1985, in taxable years ending after such date, which are attributable to post-retirement medical benefits allocated to the separate account of a key employee (as defined in Code Section 419A(d)(3)) under a welfare benefit plan (as defined in Code Section 419(e)) maintained by the Employer. Except, however, the percentage limitation referred to in paragraph 5 below shall not apply to: (1) any contribution for medical benefits (within the meaning of Code Section 419A(f)(2)) after separation from service which is otherwise treated as an "annual addition", or (2) any amount otherwise treated as an "annual addition" under Code Section 415(1)(1).

(5) If as a result of a reasonable error in estimating a Participant's Compensation or other facts and circumstances to which Regulation 1.415-6(b)(6) shall be applicable, voluntary employee contributions for the "limitation year" would cause the "annual additions" credited to a "participant's account" to exceed the lesser of (A) \$30,000 (or, if greater, one-fourth of the dollar limitation in effect under Code Section 415(b)(1)(A)) or (B) twenty-five percent (25%) of the Participant's "415 Compensation" for such limitation year, the Administrator shall, pursuant to Regulation 1.415-6(b)(6)(iv), return such voluntary employee contributions to the Participant to the extent necessary so that "annual additions" for the "limitation year" do not exceed the lesser of (A) or (B).

(6) For defined contribution plans in effect on or before July 1, 1982, the Administrator may elect, for any "limitation year" ending after December 31, 1982, that the amount taken into account in the denominator for every Participant for all "limitation years" ending before January 1, 1983 shall be an amount equal to the product of (A) the denominator for the "limitation year" ending in 1982 determined under the law in effect for the "limitation year" ending in 1982 multiplied by (B) the "transition fraction".

(7) For purposes of the preceding paragraph, the term "transition fraction" shall mean a fraction (A) the numerator of which is the lesser of (i) \$51,875 or (ii) 1.4 multiplied by twenty-five percent (25%) of the Participant's "415 Compensation" for the "limitation year" ending in 1981, and (B) the denominator of which is the lesser of (i) \$41,500 or (ii) twenty-five percent (25%) of the Participant's "415 Compensation" for the "limitation year" ending in 1981.

(8) Notwithstanding the foregoing, for any "limitation year" in which the Plan is a Top Heavy Plan, \$41,500 shall be substituted for \$51,875 in determining the "transition fraction" unless the extra minimum benefit is being provided pursuant to Section 5.2. However, for any "limitation year" in which this Plan is a Super Top Heavy Plan, \$41,500 shall be substituted for \$51,875 in any event.

(d) Notwithstanding the foregoing, for any "limitation year" in which the Plan is a Top Heavy Plan, 1.0 shall be substituted for 1.25 in Sections 6.6(b) and 6.6(c)(1) unless the extra minimum benefit is being provided pursuant to Section 5.2. However, for any "limitation year" in which the Plan is a Super Top Heavy Plan, 1.0 shall be substituted for 1.25 in any event.

(e) If the sum of the defined benefit plan fraction and the defined contribution plan fraction shall exceed 1.0 in any "limitation year" for any Participant in this Plan for reasons other than described in Section 6.6(f), the Administrator shall limit, to the extent necessary, the "annual additions" to such "participant's account" for such "limitation

year". If, after limiting the "annual additions" to such "participant's account" for the "limitation year", the sum of the defined benefit plan fraction and the defined contribution plan fraction still exceed 1.0, the Administrator shall then adjust the numerator of the defined benefit plan fraction so that the sum of both fractions shall not exceed 1.0 in any "limitation year" for such Participant.

(f) If (1) the substitution of 1.00 for 1.25 and \$41,500 for \$51,875 above or (2) the excess benefit accruals or "annual additions" provided for in Internal Revenue Service Notice 82-19 cause the 1.0 limitation to be exceeded for any Participant in any "limitation year", such Participant shall be subject to the following restrictions for each future "limitation year" until the 1.0 limitation is satisfied: (A) the Participant's Accrued Benefit shall not increase (B) no "annual additions" may be credited to a "participant's account" and (C) no Employee contributions (voluntary or mandatory) shall be made under any defined benefit plan or any defined contribution plan of the Employer.

6.7 INCORPORATION BY REFERENCE

Notwithstanding anything contained in this Article to the contrary, the limitations, adjustments and other requirements prescribed in this Article shall at all times comply with the provisions of Code Section 415 and the Regulations thereunder, the terms of which are specifically incorporated herein by reference.

ARTICLE VII TRUSTEE

7.1 BASIC RESPONSIBILITIES OF THE TRUSTEE

The Trustee shall have the following categories of responsibilities:

(a) Consistent with the "funding policy and method" determined by the Employer, to invest, manage, and control the Plan assets subject, however, to the direction of an Investment Manager if the Trustee should appoint such manager as to all or a portion of the assets of the Plan;

(b) At the direction of the Administrator, to pay benefits required under the Plan to be paid to Participants, or, in the event of their death, to their Beneficiaries;

(c) To maintain records of receipts and disbursements and furnish to the Employer and/or Administrator for each Fiscal Year a written annual report per Section 7.7.

(d) If there shall be more than one Trustee, they shall act by a majority of their number, but may authorize one or more of them to sign papers on their behalf.

7.2 INVESTMENT POWERS AND DUTIES OF THE TRUSTEE

(a) The Trustee shall invest and reinvest the Trust Fund to keep the Trust Fund invested without distinction between principal and income and in such securities or property, real or personal, wherever situated, as the Trustee shall deem advisable, including, but not limited to, stocks, common or preferred, bonds and other evidences of indebtedness or ownership, and real estate or any interest therein. The Trustee shall at all times in making investments of the Trust Fund consider, among other factors, the short and long-term financial needs of the Plan on the basis of information furnished by the Employer. In making such investments, the Trustee shall not be restricted to securities or other property of the character expressly authorized by the applicable law for trust investments; however, the Trustee shall give due regard to any limitations imposed by the Code or the Act so that at all times the Plan may qualify as a qualified Pension Plan and Trust.

(b) The Trustee may employ a bank or trust company pursuant to the terms of its usual and customary bank agency agreement, under which the duties of such bank or trust company shall be of a custodial, clerical and record-keeping nature.

(c) If life insurance policies have been issued under the Plan to insure the death benefits provided hereunder, the Trustee, at the direction of the Administrator, shall apply for, own, and pay premiums on such life insurance policies. Life insurance policies shall, at the direction of the Administrator, be surrendered to the insurer for their cash value or transferred to the Former Participant under the terms of the Plan. The Trustee must convert the entire value of life insurance policies at retirement into cash or provide for a periodic income (under the terms of the Plan) so that no portion of such value may be used to continue life insurance protection.

7.3 OTHER POWERS OF THE TRUSTEE

The Trustee, in addition to all powers and authorities under common law, statutory authority, including the Act, and other provisions of the Plan, shall have the following powers and authorities, to be exercised in the Trustee's sole discretion:

(a) To purchase, or subscribe for, any securities or other property and to retain the same. In conjunction with the purchase of securities, margin accounts may be opened and maintained;

(b) To sell, exchange, convey, transfer, grant options to purchase, or otherwise dispose of any securities or other property held by the Trustee, by private contract or at public auction. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency, or propriety of any such sale or other disposition, with or without advertisement;

(c) To vote upon any stocks, bonds, or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to oppose, or to consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporate securities, and to delegate discretionary powers, and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities, or other property;

(d) To cause any securities or other property to be registered in the Trustee's own name or in the name of one or more of the Trustee's nominees, and to hold any investments in bearer form, but the books and records of the Trustee shall at all times show that all such investments are part of the Trust Fund;

(e) To borrow or raise money for the purposes of the Plan in such amount, and upon such terms and conditions, as the Trustee shall deem advisable; and for any sum so borrowed, to issue a promissory note as Trustee, and to secure the repayment thereof by pledging all, or any part, of the Trust Fund; and no person lending money to the Trustee shall be bound to

see to the application of the money lent or to inquire into the validity, expediency, or propriety of any borrowing;

(f) To keep such portion of the Trust Fund in cash or cash balances as the Trustee may, from time to time, deem to be in the best interests of the Plan, without liability for interest thereon;

(g) To accept and retain for such time as the Trustee may deem advisable any securities or other property received or acquired as Trustee hereunder, whether or not such securities or other property would normally be purchased as investments hereunder;

(h) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(i) To settle, compromise, or submit to arbitration any claims, debts, or damages due or owing to or from the Plan, to commence or defend suits or legal or administrative proceedings, and to represent the Plan in all suits and legal and administrative proceedings;

(j) To employ suitable agents and counsel and to pay their reasonable expenses and compensation, and such agent or counsel may or may not be agent or counsel for the Employer;

(k) To apply for and procure from responsible insurance companies, to be selected by the Administrator, as an investment of the Trust Fund such annuity, or other Contracts (on the life of any Participant) as the Administrator shall deem proper; to exercise, at any time or from time to time, whatever rights and privileges may be granted under such annuity, or other Contracts; to collect, receive, and settle for the proceeds of all such annuity or other Contracts as and when entitled to do so under the provisions thereof;

(l) To invest funds of the Trust in time deposits or savings accounts bearing a reasonable rate of interest in the Trustee's bank;

(m) To invest in Treasury Bills and other forms of United States government obligations;

(n) To sell, purchase and acquire put or call options if the options are traded on and purchased through a national securities exchange registered under the Securities Exchange Act of 1934, as amended, or, if the options are not traded on a national securities exchange, are guaranteed by a member firm of the New York Stock Exchange.

(o) To deposit monies in federally insured savings accounts or certificates of deposit in banks or savings and loan associations;

(p) To pool all or any of the Trust Fund, from time to time, with assets belonging to any other qualified employee pension benefit trust created by the Employer or an affiliated company of the Employer, and to commingle such assets and make joint or common investments and carry joint accounts on behalf of this Plan and such other trust or trusts, allocating undivided shares or interests in such investments or accounts or any pooled assets of the two or more trusts in accordance with their respective interests;

(q) To do all such acts and exercise all such rights and privileges, although not specifically mentioned herein, as the Trustee may deem necessary to carry out the purposes of the Plan.

7.4 LOANS TO PARTICIPANTS

(a) The Trustee may, in the Trustee's sole discretion, make loans to Participants and Beneficiaries under the following circumstances: (1) loans shall be made available to all Participants and Beneficiaries on a reasonably equivalent basis; (2) loans shall not be made available to highly compensated Employees, officers, or shareholders in an amount greater than the amount made available to other Participants and Beneficiaries; (3) loans shall bear a reasonable rate of interest; (4) loans shall be adequately secured; and (5) shall provide for repayment over a reasonable period of time.

(b) Loans shall not be made to any Owner-Employee unless an exemption for such loan is obtained pursuant to Act Section 408 and further provided that such loan would not be subject to tax pursuant to Code Section 4975.

(c) Loans shall not be granted to any Participant or his Beneficiary that provide for a repayment period extending beyond such Participant's Normal Retirement Date.

(d) Loans made pursuant to this Section (when added to the outstanding balance of all other loans made by the Plan to the Participant) shall be limited to the lesser of:

(1) \$50,000 reduced by the excess (if any) of the highest outstanding balance of loans from the Plan to the Participant during the one year period ending on the day before the date on which such loan is made, over the outstanding balance of loans from the Plan to the Participant on the date on which such loan was made, or

(2) the greater of (A) one-half (1/2) of the present value of the non-forfeitable accrued benefit of the Employee under the Plan, or (B) \$10,000.

For purposes of this limit, all plans of the Employer shall be considered one plan. Additionally, with respect to any loan made prior to January 1, 1987, the \$50,000 limit specified in (1) above shall be unreduced.

(e) Loans shall provide for level amortization with payments to be made not less frequently than quarterly over a period not to exceed five (5) years. However, loans used to acquire any dwelling unit which, within a reasonable time, is to be used (determined at the time the loan is made) as a principal residence of the Participant shall provide for periodic repayment over a reasonable period of time that may exceed five (5) years.

(f) Any loan made pursuant to this Section after August 18, 1985, where the Vested Accrued Benefit of the Participant is used to secure such loan shall require the written consent of the Participant's spouse in a manner consistent with Section 5.7(a)(2). Such written consent must be obtained within the 90-day period prior to the date the loan is made. Any security interest held by the Plan by reason of an outstanding loan to the Participant shall be taken into account in determining the amount of the death benefit or the Pre-Retirement Survivor Annuity.

7.5 DUTIES OF THE TRUSTEE REGARDING PAYMENTS

At the direction of the Administrator, the Trustee shall, from time to time, in accordance with the terms of the Plan, make payments out of the Trust Fund. The Trustee shall not be responsible in any way for the application of such payments.

7.6 TRUSTEE'S COMPENSATION AND EXPENSES AND TAXES

The Trustee shall be paid such reasonable compensation as shall from time to time be agreed upon in writing by the Employer and the Trustee. An individual serving as Trustee who already receives full-time pay from the Employer shall not receive compensation from the Plan. In addition, the Trustee shall be reimbursed for any reasonable expenses, including reasonable counsel fees incurred by it as Trustee. Such compensation and expenses shall be paid from the Trust Fund unless paid or advanced by the Employer. All taxes of any kind and all kinds whatsoever that may be levied or assessed under existing or future laws upon, or in respect of, the Trust Fund or the income thereof, shall be paid from the Trust Fund.

7.7 ANNUAL REPORT OF THE TRUSTEE

Within sixty (60) days after the later of the Anniversary Date or receipt of the Employer's contribution for each Fiscal Year, the Trustee shall furnish to the Employer and Administrator a written statement of account with respect to the Fiscal Year for which such contribution was made setting forth:

- (a) the net income, or loss, of the Trust Fund;
- (b) the gains, or losses, realized by the Trust Fund upon sales or other disposition of the assets;
- (c) the increase, or decrease, in the value of the Trust Fund;
- (d) all payments and distributions made from the Trust Fund; and
- (e) such further information as the Trustee and/or Administrator deems appropriate. The Employer, forthwith upon its receipt of each such statement of account, shall acknowledge receipt thereof in writing and advise the Trustee and/or Administrator of its approval or disapproval thereof. Failure by the Employer to disapprove any such statement of account within thirty (30) days after its receipt thereof shall be deemed an approval thereof. The approval by the Employer of any statement of account shall be binding as to all matters embraced therein as between the

Employer and the Trustee to the same extent as if the account of the Trustee had been settled by judgment or decree in an action for a judicial settlement of its account in a court of competent jurisdiction in which the Trustee, the Employer and all persons having or claiming an interest in the Plan were parties; provided, however, that nothing herein contained shall deprive the Trustee of its right to have its accounts judicially settled if the Trustee so desires.

7.8 AUDIT

(a) If an audit of the Plan's records shall be required by the Act and the regulations thereunder for any Plan Year, the Administrator shall direct the Trustee to engage on behalf of all Participants an independent qualified public accountant for that purpose. Such accountant shall, after an audit of the books and records of the Plan in accordance with generally accepted auditing standards, within a reasonable period after the close of the Plan Year, furnish to the Administrator and the Trustee a report of his audit setting forth his opinion as to whether each of the following statements, schedules or lists, or any others that are required by Section 103 of the Act or the Secretary of Labor to be filed with the Plan's annual report, are presented fairly in conformity with generally accepted accounting principles applied consistently:

(i) statement of the assets and liabilities of the Plan;

(ii) statement of changes in net assets available to the Plan;

(iii) statement of receipts and disbursements, a schedule of all assets held for investment purposes, a schedule of all loans or fixed income obligations in default at the close of the Plan Year;

(iv) a list of all leases in default or uncollectible during the Plan Year;

(v) the most recent annual statement of assets and liabilities of any bank common or collective trust fund in which Plan assets are invested or such information regarding separate accounts or trusts with a bank or insurance company as the Trustee and Administrator deem necessary; and

(vi) a schedule of each transaction or series of transactions involving an amount in excess of three percent (3%) of Plan assets.

All auditing and accounting fees shall be an expense of and may, at the election of the Administrator, be paid from the Trust Fund.

(b) If some or all of the information necessary to enable the Administrator to comply with Section 103 of the Act is maintained by a bank, insurance company, or similar institution, regulated and supervised and subject to periodic examination by a state or federal agency, it shall transmit and certify the accuracy of that information to the Administrator as provided in Section 103(b) of the Act within one hundred twenty (120) days after the end of the Plan Year or by such other date as may be prescribed under regulations of the Secretary of Labor.

7.9 RESIGNATION, REMOVAL AND SUCCESSION OF TRUSTEE

(a) The Trustee may resign at any time by delivering to the Employer, at least thirty (30) days before its effective date, a written notice of his resignation.

(b) The Employer may remove the Trustee by mailing by registered or certified mail, addressed to such Trustee at his last known address, at least thirty (30) days before its effective date, a written notice of his removal.

(c) Upon the death, resignation, incapacity, or removal of any Trustee, a successor may be appointed by the Employer; and such successor, upon accepting such appointment in writing and delivering same to the Employer, shall, without further act, become vested with all the estate, rights, powers, discretions, and duties of his predecessor with like respect as if he were originally named as a Trustee herein. Until such a successor is appointed, the remaining Trustee or Trustees shall have full authority to act under the terms of the Plan.

(d) The Employer may designate one or more successors prior to the death, resignation, incapacity, or removal of a Trustee. In the event a successor is so designated by the Employer and accepts such

designation, the successor shall, without further act, become vested with all the estate, rights, powers, discretions, and duties of his predecessor with the like effect as if he were originally named as Trustee herein immediately upon the death, resignation, incapacity, or removal of his predecessor.

(e) Whenever any Trustee hereunder ceases to serve as such, he shall furnish to the Employer and Administrator a written statement of account with respect to the portion of the Fiscal Year during which he served as Trustee. This statement shall be either (i) included as part of the annual statement of account for the Fiscal Year required under Section 7.7 or (ii) set forth in a special statement. Any such special statement of account should be rendered to the Employer no later than the due date of the annual statement of account for the Fiscal Year. The procedures set forth in Section 7.7 for the approval by the Employer of annual statements of account shall apply to any special statement of account rendered hereunder and approval by the Employer of any such special statement in the manner provided in Section 7.7 shall have the same effect upon the statement as the Employer's approval of an annual statement of account. No successor to the Trustee shall have any duty or responsibility to investigate the acts or transactions of any predecessor who has rendered all statements of account required by Section 7.7 and this subparagraph.

7.10 TRANSFER OF INTEREST

Notwithstanding any other provision contained in the Plan, the Trustee at the direction of the Administrator shall transfer the Vested interest, if any, of such Participant in the Present Value of his Accrued Benefit to another trust forming part of a pension, profit sharing, or stock bonus plan maintained by such Participant's new employer and represented by said employer in writing as meeting the requirements of Code Section 401(a), provided that the trust to which such transfers are made permits the transfer to be made.

The Trustee may accept funds transferred from such trusts or a "conduit" Individual Retirement Account for the account of a Participant under this Plan, provided the conditions precedent to such transfer set forth in Section 4.3 are satisfied. In the event of such a transfer under this Plan, the Trustee shall maintain a separate, nonforfeitable "Participant's Rollover Account" for the amount transferred. The Trustee may act upon the direction of the Administrator without determining the facts concerning a transfer.

ARTICLE VIII
PLAN AMENDMENT

8.1 AMENDMENT

(a) The Employer shall have the right at any time to amend the Plan. However, no such amendment shall authorize or permit any part of the Trust Fund (other than such part as is required to pay taxes and administration expenses) to be used for or diverted to purposes other than for the exclusive benefit of the Participants or their Beneficiaries or estates; no such amendment shall cause any reduction in the Accrued Benefit of any Participant (except to the extent permitted under Code Section 412(c)(8)) or cause or permit any portion of the Trust Fund to revert to or become the property of the Employer; and no such amendment which affects the rights, duties or responsibilities of the Trustee and Administrator may be made without the Trustee's and Administrator's written consent. Any such amendment shall become effective as provided therein upon its execution. The Trustee shall not be required to execute any such amendment unless the Trust provisions contained herein are a part of this agreement and the amendment affects the duties of the Trustee hereunder.

(b) For purposes of this paragraph, a Plan amendment which has the effect of (1) eliminating or reducing an early retirement benefit or a retirement-type subsidy, (2) eliminating an optional form of benefit, with respect to benefits attributable to service before the amendment or (3) restricting, directly or indirectly, the benefit provided to any Participant prior to the amendment shall be treated as reducing Accrued Benefits except that an amendment described in clause (2) (other than an amendment having an effect described in clause (1)) shall not be treated as reducing Accrued Benefits to the extent so provided in Regulations. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a Participant who satisfies (either before or after the amendment) the preamendment conditions for the subsidy. In general, a retirement-type subsidy is a subsidy that continues after retirement, but does not include a qualified disability benefit, a medical benefit, a social security supplement, a death benefit (including life insurance), or a plant shutdown benefit (that does not continue after retirement age). Furthermore, no amendment to the Plan shall have the

effect of decreasing a Participant's Vested interest determined without regard to such amendment as of the later of the date such amendment is adopted, or becomes effective.

(c) If this Plan is amended and an effect of such amendment is to increase current liability (as defined in Code Section 401(a)(29)(E)) under the Plan for a Plan Year, and the funded current liability percentage of the Plan for the Plan Year in which the amendment takes effect is less than sixty percent (60%), including the amount of the unfunded current liability under the Plan attributable to the amendment, the amendment shall not take effect until the Employer (or any member of a controlled group which includes the Employer) provides security to the Plan. The form and amount of such security shall satisfy the requirements of Code Section 401(a)(29)(B) and (C). Such security may be released provided the requirements of Code Section 401(a)(29)(D) are satisfied.

ARTICLE IX PLAN TERMINATION

9.1 TERMINATION

(a) The Employer shall have the right to terminate the Plan by delivering to the Trustee and Administrator written notice of such termination. Upon any termination (full or partial), all amounts shall be allocated in accordance with the provisions hereof and the Accrued Benefit of each affected Participant shall become fully Vested and shall not thereafter be subject to forfeiture. Upon termination of the Plan, the Employer, by written notice to the Trustee, may direct either:

(1) continuation of the Trust created by this agreement and the distribution of benefits at such time and in such manner as though the Plan had not been terminated; or

(2) complete distribution of the assets in the Trust Fund to the Participants, in cash or in kind, in a manner consistent with Section 5.7. In such case, the Trustee shall distribute the assets to the remaining Participants in the Plan and to retired Participants, subject to provision for expenses of administration or liquidation. Such distributions shall be allocated in the

following order to the extent of the sufficiency of such assets, basing such allocation on the Accrued Benefit for each such Participant at the date of termination of the Plan:

(i) to provide pensions to retired Participants who have retired under the Plan prior to its termination without reference to the order of retirement;

(ii) to provide Normal Retirement Benefits to Participants who have reached their Normal Retirement Dates but have not retired on the date of termination, without reference to the order in which they shall have reached their Normal Retirement Date;

(iii) to provide Normal Retirement Benefits to Participants who have not yet reached their Normal Retirement Date on the date of termination, in the order in which they will reach their Normal Retirement Date. Such benefits will be based upon Accrued Benefits as of the date of termination. The balance, if any, of the assets due to erroneous actuarial computation held by the Trust Fund after such allocation shall be reallocated to the Participants on the basis of their Present Value of Accrued Benefit.

9.2 LIMITATION OF BENEFITS ON EARLY TERMINATION

In the event the Plan is terminated for any reason other than the failure to obtain Internal Revenue Service approval pursuant to Section 11.14, then notwithstanding any provision in this Plan to the contrary, during the first ten (10) years after the Effective Date hereof, and if full current costs had not been met at the end of the first ten (10) years, until said full current costs are met, the benefits provided by the Employer's contributions for the Participants whose anticipated annual retirement benefit at Normal Retirement Date exceeds \$1,500 and who at the Effective Date of the Plan were among the twenty-five (25) highest paid Employees of the Employer will be subject to the conditions set forth in the following provisions:

(a) The benefit payable to a Participant described in this Section or his Beneficiary shall not exceed the greater of the following:

(1) those benefits purchasable by the greater of (a) \$20,000, or (b) an amount equal to 20% of the first \$50,000 of the Participant's annual Compensation multiplied by the number of years from the Effective Date of the Plan to the earlier of (i) the date of termination of the Plan, or (ii) the date the benefit of the Participant becomes payable or (iii) the date of a failure on the part of the Employer to meet the full current costs of the Plan; or

(2) if a Participant is a "substantial owner" (as defined in Section 4022(b)(5)(A) of the Act), the present value of the benefit guaranteed for "substantial owners" under Section 4022 of the Act, or

(3) if the Participant is not a "substantial owner", the present value of the maximum benefit provided in Section 4022(b)(3)(B) of the Act, determined on the date the Plan terminates or on the date benefits commence, whichever is earlier and in accordance with regulations of the Pension Benefit Guaranty Corporation.

(b) If the Plan is terminated or the full current costs thereof have not been met at any time within ten (10) years after the Effective Date, the benefits which any of the Participants described in this Section may receive from the Employer's contribution shall not exceed the benefits set forth in Section 9.2(a). If at the end of the first ten (10) years the full current costs are not met, the restrictions will continue to apply until the full current costs are funded for the first time.

(c) If a Participant described in this Section leaves the employ of the Employer or withdraws from participation in the Plan when the full current costs have been met, the benefits which he may receive from the Employer contributions shall not at any time within the first ten (10) years after the Effective Date exceed the benefits set forth in Section 9.2(a), except as provided in Section 9.2(i).

(d) These conditions shall not restrict the full payment of any survivor's benefits on behalf of a Participant who dies while in the Plan and the full current costs have been met.

(e) These conditions shall not restrict the current payment of full retirement benefits called for by the Plan for any Retired Participant while the Plan is in full effect and its full current costs have been met, provided an agreement, adequately secured, guarantees the repayment of any part of the distribution that is or may become restricted.

(f) If the benefits of, or with respect to, any Participant shall have been suspended or limited in accordance with the limitations of Section 9.2(a), (b), and (c) above because the full current costs of the Plan shall not then have been met, and if such full current costs shall thereafter be met, then the full amount of the benefits payable to such Participant shall be resumed and the parts of such benefits which have been suspended shall then be paid in full.

(g) Notwithstanding anything in Section 9.2(a), (b), and (c) above, if on the termination of the Plan within the first ten (10) years after the Effective Date, the funds, Contracts, or other property under the Plan are more than sufficient to provide Accrued Benefits as defined in Section 1.1 for Participants and their Beneficiaries including full benefits for all Participants other than such of the twenty-five (25) highest paid Employees as are still in the service of the Employer and also including Accrued Benefits as limited by this Section for such twenty-five (25) highest paid Employees then any excess of such funds, Contracts, and property shall be used to provide Accrued Benefits for the twenty-five (25) highest paid Employees in excess of such limitations of this Section up to the benefits to which such Employees would be entitled under Section 1.1 without such limitations.

(h) In the event that Congress should provide by statute, or the Treasury Department or the Internal Revenue Service should provide by regulation or ruling, that the limitations provided for in this Article are no longer necessary in order to meet the requirements for a qualified pension plan under the Internal Revenue Code as then in effect, the limitations in this Article shall become void and shall no longer apply without the necessity of amendment to this Plan.

(i) In the event a lump-sum distribution is made to an Employee subject to the above restrictions in an amount in excess of that amount otherwise permitted

under this Article, an agreement shall be made, with adequate security guaranteeing repayment of any amount of the distribution that is restricted. Adequate security shall mean property having a fair market value of at least 125% of the amount which would be repayable if the Plan had terminated on the date of distribution of such lump sum. If the fair market value of the property falls below 110% of the amount which would then be repayable if the Plan were then to terminate, the distributee shall deposit additional property to bring the value of the property to 125% of such amount.

ARTICLE X

MERGER, CONSOLIDATION OR TRANSFER OF ASSETS

10.1 REQUIREMENTS

Before this Plan can be merged or consolidated with any other qualified plan or its assets or liabilities transferred to any other qualified plan, the Administrator must secure (and file with the Secretary of Treasury at least 30 days beforehand) a certification from a government-enrolled actuary that the benefits which would be received by a Participant of this Plan, in the event of a termination of the Plan immediately after such transfer, merger or consolidation, are at least equal to the benefits the Participant would have received if the Plan had terminated immediately before the transfer, merger or consolidation.

ARTICLE XI MISCELLANEOUS

11.1 PARTICIPANT'S RIGHTS

This Plan shall not be deemed to constitute a contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon him as a Participant of this Plan.

11.2 ALIENATION

(a) Subject to the exceptions provided below, no benefit which shall be payable out of the Trust Fund to any person (including a Participant or his Beneficiary) shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to anticipate,

alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be void; and no such benefit shall in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements, or torts of any such person, nor shall it be subject to attachment or legal process for or against such person, and the same shall not be recognized by the Trustee, except to such extent as may be required by law.

(b) This provision shall not apply to the extent a Participant or Beneficiary is indebted to the Plan, for any reason, under any provision of the Plan. At the time a distribution is to be made to or for a Participant's or Beneficiary's benefit, such proportion of the amount distributed as shall equal such indebtedness shall be paid by the Trustee to the Trustee or the Administrator, at the direction of the Administrator, to apply against or discharge such indebtedness. Prior to making a payment, however, the Participant or Beneficiary must be given written notice by the Administrator that such indebtedness is to be so paid in whole or part from his Participant's Accrued Benefit. If the Participant or Beneficiary does not agree that the indebtedness is a valid claim against his Vested Participant's Accrued Benefit, he shall be entitled to a review of the validity of the claim in accordance with procedures provided in Sections 2.12 and 2.13.

(c) This provision shall not apply to a "qualified domestic relations order" defined in Code Section 414(p), and those other domestic relations orders permitted to be so treated by the Administrator under the provisions of the Retirement Equity Act of 1984. The Administrator shall establish a written procedure to determine the qualified status of domestic relations orders and to administer distributions under such qualified orders. Further, to the extent provided under a "qualified domestic relations order", a former spouse of a Participant shall be treated as the spouse or surviving spouse for all purposes under the Plan.

11.3 CONSTRUCTION OF PLAN

This Plan and Trust shall be construed and enforced according to the Act and the laws of the Commonwealth of Virginia, other than its laws respecting choice of law, to the extent not preempted by the Act.

11.4 GENDER AND NUMBER

Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

11.5 LEGAL ACTION

In the event any claim, suit, or proceeding is brought regarding the Trust and/or Plan established hereunder to which the Trustee or the Administrator may be a party, and such claim, suit, or proceeding is resolved in favor of the Trustee or Administrator, they shall be entitled to be reimbursed from the Trust Fund for any and all costs, attorney's fees, and other expenses pertaining thereto incurred by them for which they shall have become liable.

11.6 PROHIBITION AGAINST DIVERSION OF FUNDS

(a) Except as provided below and otherwise specifically permitted by law, it shall be impossible by operation of the Plan or of the Trust, by termination of either, by power of revocation or amendment, by the happening of any contingency, by collateral arrangement or by any other means, for any part of the corpus or income of any trust fund maintained pursuant to the Plan or any funds contributed thereto to be used for, or diverted to, purposes other than the exclusive benefit of Participants, Retired Participants, or their Beneficiaries.

(b) In the event the Employer shall make an excessive contribution under a mistake of fact pursuant to Section 403(c)(2)(A) of the Act, the Employer may demand repayment of such excessive contribution at any time within one (1) year following the time of payment and the Trustees shall return such amount to the Employer within the one (1) year period. Earnings of the Plan attributable to the excess contributions may not be returned to the Employer but any losses attributable thereto must reduce the amount so returned.

11.7 BONDING

Every Fiduciary, except a bank or an insurance company, unless exempted by the Act and regulations thereunder,

shall be bonded in an amount not less than 10% of the amount of the funds such Fiduciary handles; provided, however, that the minimum bond shall be \$1,000 and the maximum bond, \$500,000. The amount of funds handled shall be determined at the beginning of each Plan Year by the amount of funds handled by such person, group, or class to be covered and their predecessors, if any, during the preceding Plan Year, or if there is no preceding Plan Year, then by the amount of the funds to be handled during the then current year. The bond shall provide protection to the Plan against any loss by reason of acts of fraud or dishonesty by the Fiduciary alone or in connivance with others. The surety shall be a corporate surety company (as such term is used in Section 412(a)(2) of the Act), and the bond shall be in a form approved by the Secretary of Labor. Notwithstanding anything in the Plan to the contrary, the cost of such bonds shall be an expense of and may, at the election of the Administrator, be paid from the Trust Fund or by the Employer.

11.8 EMPLOYER'S AND TRUSTEE'S PROTECTIVE CLAUSE

Neither the Employer nor the Trustee, nor their successors, shall be responsible for the validity of any Contract issued hereunder or for the failure on the part of the insurer to make payments provided by any such Contract, or for the action of any person which may delay payment or render a Contract null and void or unenforceable in whole or in part.

11.9 INSURER'S PROTECTIVE CLAUSE

Any insurer who shall issue Contracts hereunder shall not have any responsibility for the validity of this Plan or for the tax or legal aspects of this Plan. The insurer shall be protected and held harmless in acting in accordance with any written direction of the Trustee, and shall have no duty to see to the application of any funds paid to the Trustee, nor be required to question any actions directed by the Trustee. Regardless of any provision of this Plan, the insurer shall not be required to take or permit any action or allow any benefit or privilege contrary to the terms of any Contract which it issues hereunder, or the rules of the insurer.

11.10 RECEIPT AND RELEASE FOR PAYMENTS

Any payment to any Participant, his legal representative, Beneficiary, or to any guardian or committee appointed for such Participant or Beneficiary in accordance with the provisions of the Plan, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Trustee and the Employer, either of whom may require such Participant, legal representative, Beneficiary, guardian or committee, as a condition precedent to such payment, to execute a receipt and release thereof in such form as shall be determined by the Trustee or Employer.

11.11 ACTION BY THE EMPLOYER

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

11.12 NAMED FIDUCIARIES AND ALLOCATION OF RESPONSIBILITY

The "named Fiduciaries" of this Plan are (1) the Employer, (2) the Administrator and (3) the Trustee. The named Fiduciaries shall have only those specific powers, duties, responsibilities, and obligations as are specifically given them under the Plan. In general, the Employer shall have the sole responsibility for making the contributions provided for under Section 4.1; and shall have the sole authority to appoint and remove the Trustee and the Administrator; to formulate the Plan's "funding policy and method"; and to amend or terminate, in whole or in part, the Plan. The Administrator shall have the sole responsibility for the administration of the Plan, which responsibility is specifically described in the Plan. The Trustee shall have the sole responsibility of management of the assets held under the Trust, except those assets, the management of which has been assigned to an Investment Manager, who shall be solely responsible for the management of the assets assigned to it, all as specifically provided in the Plan. Each named Fiduciary warrants that any directions given, information furnished, or action taken by it shall be in accordance with the provisions of the Plan, authorizing or providing for such direction, information or action. Furthermore, each named Fiduciary may rely upon any such direction, information or action of another named Fiduciary as being proper under the Plan, and is not required under the Plan to inquire into the propriety of any such direction, information or action. It is intended under the Plan that each named Fiduciary shall be responsible for the proper exercise of its own powers, duties, responsibilities and obligations under the Plan. No named Fiduciary shall guarantee the Trust Fund in any manner against investment loss or depreciation in asset value. Any person or group may serve in more than one Fiduciary capacity.

11.13 HEADINGS

The headings and subheadings of this Plan have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

11.14 APPROVAL BY INTERNAL REVENUE SERVICE

(a) Notwithstanding anything herein to the contrary, contributions to this Plan are conditioned upon the initial qualification of the Plan under Code Section 401. If the Plan receives an adverse determination with respect to its initial qualification, then the Plan may return such contributions to the Employer within one year after such determination, provided the application for the determination is made by the time prescribed by law for filing the Employer's return for the taxable year in which the Plan was adopted, or such later date as the Secretary of the Treasury may prescribe.

(b) Notwithstanding any provisions to the contrary, any contribution by the Employer to the Trust Fund is conditioned upon the deductibility of the contribution by the Employer under the Code and, to the extent any such deduction is disallowed, the Employer may, within one (1) year following the disallowance of the deduction, demand repayment of such disallowed contribution and the Trustee shall return such contribution within one (1) year following the disallowance. Earnings of the Plan attributable to the excess contribution may not be returned to the Employer, but any losses attributable thereto must reduce the amount so returned.

11.15 UNIFORMITY

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner.

IN WITNESS WHEREOF, this Plan has been executed the day
and year first above written.

Signed, sealed, and delivered
in the presence of:

McClanahan Ingles

By _____
EMPLOYER

WITNESSES AS TO EMPLOYER

_____ (SEAL)
TRUSTEE

WITNESSES AS TO TRUSTEE

_____ (SEAL)
TRUSTEE

WITNESSES AS TO TRUSTEE

IN WITNESS WHEREOF, this Plan has been executed the day
and year first above written.

Signed, sealed, and delivered
in the presence of:

McClanahan Ingles

NOTE: →

EMPLOYER

\$
L. C. Payne
WITNESSES AS TO EMPLOYER

NOTE: →

TRUSTEE

(SEAL)

L. C. Payne
WITNESSES AS TO TRUSTEE

NOTE: →

TRUSTEE

(SEAL)

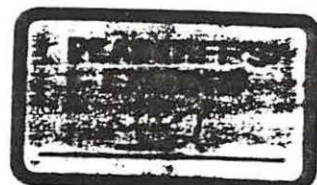
L. C. Payne
WITNESSES AS TO TRUSTEE

Accounting

Marine Technology / Willoughby Harbor
as of 8/10/87

ACCOUNT	AMOUNT OF INVOICE(S)	INTEREST	TOTAL AMOUNT
Marine Technology	\$ 18,924.95	\$ 768.42	\$ 19,693.37
Willoughby Harbor	\$ 17,199.31	\$ 3,515.07	\$ 20,714.38

Please note interest is calculated at 12% per year, compounded monthly,
on a 30 day net credit term



August 16. 1989

MARINE TECHNOLOGY

Invoice date	02/28/89	No. 2183	\$	18,924.95
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03/28/89 - 04/28/89	\$	189.25
04/28/89 - 05/28/89	\$	191.14
05/28/89 - 06/28/89	\$	193.05
06/28/89 - 07/28/89	\$	194.98

Total amount as of 07/28/89	\$	19,693.37
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WILLOUGHBY HARBOR/cont. page 2

Invoice	09/09/87	No. 1601	\$	2,437.99
10/09/87 - 11/09/87	\$	24.38		
11/09/87 - 12/09/87	\$	24.62		
12/09/87 - 01/09/88	\$	24.87		
01/09/88 - 02/09/88	\$	25.12		
02/09/88 - 03/09/88	\$	25.37		
03/09/88 - 04/09/88	\$	25.62		
04/09/88 - 05/09/88	\$	25.88		
05/09/88 - 06/09/88	\$	26.14		
06/09/88 - 07/09/88	\$	26.40		
07/09/88 - 08/09/88	\$	26.66		
08/09/88 - 09/09/88	\$	26.93		
09/09/88 - 10/09/88	\$	27.20		
10/09/88 - 11/09/88	\$	27.47		
11/09/88 - 12/09/88	\$	27.71		
12/09/88 - 01/09/89	\$	28.02		
01/09/89 - 02/09/89	\$	28.30		
02/09/89 - 03/09/89	\$	28.59		
03/09/89 - 04/09/89	\$	28.87		
04/09/89 - 05/09/89	\$	29.16		
05/09/89 - 06/09/89	\$	29.45		
06/09/89 - 07/09/89	\$	29.75		
07/09/89 - 08/09/89	\$	30.05		
Total as of 08/09/89				\$ 3,034.55

WILLOUGHBY HARBOR/cont. page 3

Invoice	01/25/88	\$	12,044.32
02/25/88 - 03/25/88		\$	120.44
03/25/88 - 04/25/88		\$	121.65
04/25/88 - 05/25/88		\$	122.86
05/25/88 - 06/25/88		\$	124.09
06/25/88 - 07/25/88		\$	125.33
07/25/88 - 08/25/88		\$	126.59
08/25/88 - 09/25/88		\$	127.85
09/25/88 - 10/25/88		\$	129.13
10/25/88 - 11/25/88		\$	130.42
11/25/88 - 12/25/88		\$	131.73
12/25/88 - 01/25/89		\$	133.04
01/25/89 - 02/25/89		\$	134.37
02/25/89 - 03/25/89		\$	135.72
03/25/89 - 04/25/89		\$	137.08
04/25/89 - 05/25/89		\$	138.45
05/25/89 - 06/25/89		\$	139.83
06/25/89 - 07/25/89		\$	141.23
Total as of 07/25/89		\$	14,264.13

Interest is figured at 12% per year, compounded monthly.

WILLOUGHBY HARBOR

Invoice date 07/22/87 No. 1348 \$ 2,717.00

08/22/87 - 09/22/87	\$	27.17
09/22/87 - 10/22/87	\$	27.44
10/22/87 - 11/22/87	\$	27.72
11/22/87 - 12/22/87	\$	27.99
12/22/87 - 01/22/88	\$	28.27
01/22/88 - 02/22/88	\$	28.56
02/22/88 - 03/22/88	\$	28.84
03/22/88 - 04/22/88	\$	29.13
04/22/88 - 05/22/88	\$	29.42
05/22/88 - 06/22/88	\$	29.72
06/22/88 - 07/22/88	\$	30.01
07/22/88 - 08/22/88	\$	30.31
08/22/88 - 09/22/88	\$	30.62
09/22/88 - 10/22/88	\$	30.92
10/22/88 - 11/22/88	\$	31.23
11/22/88 - 12/22/88	\$	31.54
12/22/88 - 01/22/89	\$	31.86
01/22/89 - 02/22/89	\$	32.18
02/22/89 - 03/22/89	\$	32.50
03/22/89 - 04/22/89	\$	32.82
04/22/89 - 05/22/89	\$	33.15
05/22/89 - 06/22/89	\$	33.43
06/22/89 - 07/22/89	\$	33.82

Total 07/22/89 \$ 3,415.70

March 9, 1990

McClanahan Ingles, Esquire
Vice President
Sea Technology, Ltd.
P. O. Box 483
Gloucester, Virginia 23061

Dear Mac:

In light of the deterioration of our relationship, and in light of the situation that has evolved with respect to Floyd Bishop, I see no other alternative at this point but to resign all of my affiliations with Sea Technology, Ltd. It was my desire and intent that Sea Technology, Ltd. work out an arrangement whereby Floyd Bishop purchase the assets, which I believe would have been in the best interests of both of us as 50/50 stockholders. I believe the second offer by Floyd Bishop was fair and that the counter proposal of March 1, 1990 designed by you and reluctantly signed by me drove Mr. Bishop away. In the past, others have been driven away by your raising the price beyond realism, for example, starting with David Brinning in 1986, and it is my further belief that no matter what may be offered in the future you will want more. That is history, and at this point I see very little hope for the future of Sea Technology.

As of this time, I have not been paid any wages or expenses since October of 1989. The total amount of unpaid wages to date is \$26,672.00 and the total amount of business expenses advanced by me that have not been reimbursed is \$9,764.00. I have complete records of all the business expenses advanced by me which have not been reimbursed and will be happy to share them with you. As you know, I have a family to support, and I must think first of my family. Along those lines, I see no future with a continuing relationship with Sea Technology, and I must carry forward my endeavors with Marina Technology. Your conduct in the past has led to the ultimate demise of Sea Technology, but I need not get into that at this point.

The purpose of this letter is to advise you that effective this date I hereby resign as President and as a director of Sea Technology, Ltd. I will remain a fifty percent shareholder and




McClanahan Ingles, Esquire
Page 2
March 9, 1990

would expect you to operate the company efficiently to maximize any profits so that they can flow through to the stockholders.

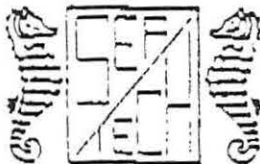
Accordingly, as I have referenced to you in the past, I hereby resign as President and a director of Sea Technology, Ltd. Please notify the State Corporation Commission immediately. I have retained the law firm of Browder & Russell, and, in particular, Mr. William Bayliss will be representing me from this point forward. Should you have any questions regarding any of these matters, please contact him directly at 804-771-9319.

Very truly yours,

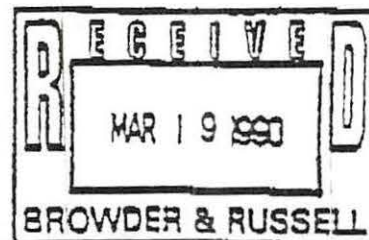


Robert Dively

RD/bc



Sea Technology, Ltd.
Docksider ©



CERTIFIED MAIL
RETURN RECEIPT REQUESTED

March 15, 1990

William D. Bayliss, Esquire
Browder & Russell
One James Center
901 East Cary Street
Richmond, Virginia 23219

Dear Mr. Bayliss:

This will acknowledge receipt of your letter dated March 9th, postmarked March 12th and received in my office on March 13th. Since Bob Dively has chosen to resign as officer and director of Sea Technology, Ltd., I ask that he return all property belonging to Sea Technology, Ltd. including, but not limited to, the dockbox which was removed from our manufacturing facility; drawings of marinas submitted by customers of Sea Technology, Ltd.; customer lists; and any and all other items he has removed which belong to Sea Technology, Ltd. If he does not return those items within seven days of the date hereof, the company will presume that he is converting them to his own use and will conduct itself accordingly.

I have also made requests upon Bob Dively in the past to reimburse the company for unauthorized travel expenses for himself and other family members and I am again making that request. In addition, Mr. Dively had on several occasions indicated he would make car rental payments and pay for his car telephone and he should do so immediately as well as reimburse the company for one month of his health insurance which was paid at his request in advance when he apparently had full knowledge he was leaving the company.

In addition, in examining the company's records, it appears that Mr. Dively sold assets of the corporation to Marina Technology, a company owned or controlled by him and that Sea Technology has an account receivable from Marina Technology in the amount of \$18,924.95. That amount should be paid to Sea Technology forthwith.

There are also a number of customer inquiries which have been addressed to Mr. Dively in the past and which he has chosen to ignore. It would appear that it would be in the best interest of the company for Mr.



919

William D. Bayliss, Esquire
March 13, 1990
Page two

Dively to at least apprise us of the conversations to date and preferably of an appropriate response to each respective inquiry.

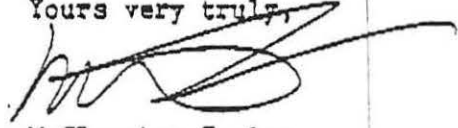
In response to Mr. Dively's letter of March 9th which was attached to your letter of March 9th and received by me on March 13th, I have fully cooperated in the attempt to sell Sea Technology, Ltd. and to my recollection, Mr. Dively at no time has advised me that he disagreed with any offer or counteroffer he and I made regarding any proposed purchase of the company or its assets. In fact, Mr. Dively has refused to meet with prospective purchasers on occasion and has refused to keep me advised of prospective purchasers with whom he has met and has excluded me from meetings with certain prospective purchasers.

In addition, it appears that Mr. Dively failed to perform the tasks expected of him as President of the company during the year 1989 and the company will explore reimbursement from Mr. Dively for that failure.

I am in the process of seeking corporate counsel and personal counsel regarding this matter and will advise you when I have retained same. In the meantime, rather than discussing this matter, I would suggest that you communicate your thoughts regarding this matter to me in writing.

It is unfortunate that Mr. Dively has chosen to conduct himself as he has in the past as it appears to have resulted in significant financial suffering for the company. I am in the process of attempting to evaluate the current financial status of the company and I strongly suggest that Mr. Dively forthwith reconcile his financial obligations to the company and return the items of property to the company so that the company can move forward in a responsible manner.

Yours very truly,



McClanahan Ingles

MI/jcp

7.5 weeks of labor *same as previous* 8/1/70

6.00
6.00
6.25
5.50
6.00
3.20

42.95 X 60

2520 labor

2577
2520.00

29.75 @ 25 — 7375

7975.00

~~7375~~

Parts — 30 ap @ ^{5.26}~~5.11~~ — X 25 ~~5.11~~ 25
30 ap bk @ ^{5.33}~~6.00~~ — ~~5.33~~ 25 ~~5.33~~
Ball @ 25 — ~~2.44~~ 2.58 60.75
Ball net @ 25 — ~~1.90~~ 1.96
Sokt @ 25 — ~~1.75~~ 1.43
Pace plate — ~~6.20~~ 1.13
Wire = 4' @ .25 X X 25
~~auto~~ Ph + TV —

148.75 131

152.00 13

61.25 6

41.10 30

19.25 10

30.00 20

25.00

10379.75

~~10329.75~~

10986.75

Shade 2nd

Shade 1st

25-10 in @ ^{17.76}~~16~~ = 448
25 17 in @ ¹⁶~~12.04~~ = 448

448 } 497.28
448 } 337.12

7.6 X 3
wire =

22.50 -
4.00 -

Paints =

6 X 35

210 -

1152.00
1071.20

~~11511.75~~

11,400.95

2.95
40



2/23/50

Jane:

Please bill Maria Technology for

100	Covers of various types	@ \$3.00 each
100	pure black & fine	@ \$1.25 each
500	photo cells	@ 4.00 each
100	four plates	@ 1.13 each

Harden



4/3/50

Invoice Date

Shipments That Need Insuring

1/23/90 Mc James Bell 1 Unit
1624 S.E. 17th Street UPS - GRD
Ft. Lauderdale, Fl. 33310 Shipping INVOICED

Bryan Marine Apts Meter - Replacement INVOICED
111 Isle of Venice UPS - GRD
Ft Lauderdale, Fl. 33301

2/12/90 RYA Development 6 Units
2381 S.W. Creege Hill Terrace
Falm City, Fl. 34990 UPS - COD - GRD
Shipping 95.7
\$4200.00
\$4295.7

Arrowhead Yacht Club 5 Units - Quoted \$5 with
AHN: Joe Harwood Two 4 FT. Pumps, CAT
Ketchum, OK 75439 water
UPS - GRD - COD Shipping 5,007.50

2/13/90 MacKay Harbor Club Replacement Parts / no charge
30675 W. Ruler Road
Mt. Carmel, MI 48065 UPS - GRD



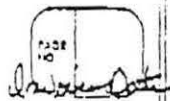
Shipments That Need Invoicing

924

Invoice Date

Shipments That Need To be Inland

2/15/90	2	Yanber Enterprises	1 - Unit - Replaced of one sent	
	3	#6 Lagonza Road	incorrectly on 2/14/90 - That Unit	
	4	Palm Beach, FL	to be returned	
	5			
	6	Central Systems & Controls	90 - 30 Amp Receptacles @ 6.0	
	7	29275 Clemens Road	UPS - N/A	540.00
	8	Westlake, OH 44145	net 30	Shipping
	9			Total
	10			
	11			
	12			
2/16/90	13	Palm Grove Marine	3 Shells Only @	250.00 =
	14	2500 Main Street	UPS - Net 30 - Red	750.00
	15	34 Alyson Beach, FL 33931	Shipping	
	16			
	17			
	18			
2/19/90	19	Seaboard Marina	net 30	
	20	8th Ocean Ave	UPS - Red	Shipping
	21	Bay Shore, N.Y. 11706	Net 30	Total
	22			
	23			
	24			
2/20/90	25	Central Systems & Controls		
	26	29275 Clemens Road	UPS - Red	
	27	Westlake, OH 44145	Net 30	Shipping
	28			Total
	29			
	30	Oceanhead Yacht Club	Qest. pip in Elbowed left out	
	31	Attn: Joe Hammond	of shipment / No Charge	
	32	Ketchikan, AK 99829	UPS / Red	
	33			
	34			
	35			
	36			

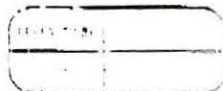


Shipments That Need Invoicing

1	2/22/90	Mike Hampton	1 - mini 30/30
2			
3	4	4245 North Central Expressway, Suite 420	54/23 Sample
4	5	Dallas, Texas 75205	No Charge
5	6		UPS/Red
6	7		
7	8		
8	9		
9	10	2/28/90 Channel Port Marina (OK River Yacht Club)	1 Sample @ 30
10	11	5300 Whiskey Island	made in style +
11	12	Cleveland, Ohio 44102	color requested for
12	13		UPS/Red order in house
13	14		No Charge
14	15		
15	16		
16	17		
17	18	2/19/90 Marine Science	10 - Shells & Bone Only
18	19	Beian Sparks	4 - Unit Tops Only
19	20		UPS/Air
20	21		
21	22		
22	23	3/23/90 Marine Technology	100 Cans @ 3.00 ea 300.00
23	24	105 Wm Allen	100 Jaws @ 1.25 ea 125.00
24	25	Winery, Va 23185	50 Photocells @ 4.00 ea 200.00
25	26		100 Iceplates @ 1.13 ea 113.00
26	27		
27	28		
28	29		Total 738.00
29	30		Va Sales Tax
30	31		
31	32	3/1/90 Marine Technology	See Attached Sheet for
32	33	105 Wm Allen	Breakdown
33	34	Winery, Va 23185	
34	35		

Invoice Date

Shipments That Need Invoicing



3/3/90 Arrowhead Yacht Club 2 - Quad 50 units -
 Ketchikan, AK 99901 Sent as Replacements for
 two units damaged in shipping
 on 2/2/90 - No Charge
 UPS is processing claim &
 pickup of units back to us.

City of Port Huron 1 - Unit
 100 McMoran Blvd, Room 202 shipping
 Port Huron, MI 48060 UPS - COD - Prepaid

Mr. Elap Poltidge 1 Motor Replacement / No Charge
 50 Isle of Venice UPS / 500
 Ft. Lauderdale, FL 33301

Mr. Gordon Shelton 10 - 13 Watt Bulbs / No Charge
 10 Crawford Parkway UPS / 500 He's Sending back old
 Portsmouth, Va 20704 One for L. Chapman / ME

3/2/90 Harbor West Yacht Club 1 - Motor ^{Assembly} 100.00
 7910 West Drive shipping 6.15
 North Bay Village, FL 33141 UPS - COD - 500 106.15

Kingsmill Marina 2 - Haffmann Mini Boats - 50/50
 sent to Marina
 Worsley Va 23135 Already invoiced

Exposures That Need Imaging

PREPARED BY	
DATE	

1 Base - Replacement Cost

Broken one in position

Ship ment

56 piece of Post paper Ellen

U/P S / R. d

Left out of original shipment
of base by Ted Eyr.

No charge

Beelden Licht Maats

Sent COD / UPS

270 Twin City Electric & Alchem Corp.

Already Invoiced

333 Rebeccan Street

20 Units

Fossil River, Mass. 02721

3/14/90 Colony Mariae

16. Minia 30/30 -

6509 Highway M-29

Algonac, Int 48001

UPS/2K1

Deposit RL
Shipping
Total

3/16/90 Kyman Marine

1. Sample Ques 30 Unit

1445 Gilman Blvd

No Change

Isosqual, WA 98022

Paid Due on To be Ordered

Structural Foam Plastics

426 Tops.

213. Basen

Shipment Expected... 3/19/90

More tops need to be ordered - Based on N. study, but did not continue to run the tops, because of money.

Shawin Williams

Light-Blue

Dark Blue

Ураж.

White

Catalyat

Accelerator.

Love in Monday

Need Freight-Chuck

See Nelson

Prepaid

Signature of Screws TAP —

Need Check for Monday Delivery - Jo has an

Graybar - Needs to be ordered Monday

500-134- Bulbs, wire ties, wire nuts, ~~and~~ Ilaco Laps Pro

Green #10 wire, min 2,000 feet, (13 watt ex. light - 4 per unit)
500)

Receipts & Debitors. Stock needs to be checked. Rocky

has Release in stock.....929

Pasta Due In or Not To Be Ordered

PREPARED BY	
DATE	

Acme Plastics

ALN: Harry

(10-11) 50 Shute Sinter waiting to be Released

Russ Mold & Engineering

Buss Bus Plates, 30 amp & Breaker Cords on Order should be on the way in.

Check just sent for Jacupedia, check file for 84
Call V1 for delivery time
500 isolator

Cardinal Alum.

Extension should be counted & order placed for proportion over next 60-90 days. Normal Leadtime on shipments - 4-6 weeks delivery.

Vossloh

13 with Sinter need to be ordered.

Normal Office Supplies

Copy paper — Low

Fax paper — Out

PROPERTY OF	
DATE	

Banner Safety

Bill needs Cartridges or Filters for Mask.
Number of Mask in file

Must. Pipe — 7

insulation - per C.H.T.C.

2.5 ~~carrots~~ of ~~lot~~ 3/1/90

6.00
6.00
6.25
5.50
6.00
31.20

42.95 X 60

2520 ~~lot~~

2520.00

29 ~~units~~ @ 275 ——— 7375 ——— 73.75

Parts — 30 arp @ ~~5.75~~^{5.26} — X ~~25~~ 25 142.75
 30 arp @ ~~6.00~~^{5.33} — X ~~25~~ 25 152.00
 Balb @ 25 — ~~2.75~~ 2.58 61.75
 Gallud @ 25 — ~~1.90~~ 1.96 ~~47.10~~
 Sorkt @ 25 — ~~1.75~~ 1.43 19.75
 Pore plate — ~~6.20~~ 1.13 30.00
 wire = 4' @ .25 X X 25 25.00
~~at~~ Pt + TV — 10379.75

Shade ~~lot~~
 Shaded

25-170 in @ ~~76~~^{17.76} = 448
 25 170 in @ ~~76~~¹²⁰⁴ = 448
 7.6 X 3 = 22.80
 wire = 4.00

Paints = 6 X 35 = 210
 1132.00
 \$ 11,511.75

2/23/90

Jane:

Please bill Marina Technology for

100	cones of various types	@	\$3.00 each
100	fuse holder & fuse	@	\$1.25 each
50	photo cells	@	4.00 each
100	face plate	@	1.13 each

Mark



SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

Shareholder's Share of Income, Credits, Deductions, etc.

For calendar year 1987 or tax year

beginning 9/1 1987, and ending 8/31 1988
For Paperwork Reduction Act Notice, see page 1 of Instructions for Form 1120S.

OMB No 1545-0130

1987

Shareholder's identifying number 229-64-6125

Corporation's identifying number 54-1297675

Shareholder's name, address, and ZIP code

MCCLENNAN INCLAS
P.O. Box 708
GLoucester, VA. 23061

Corporation's name, address, and ZIP code

SEA TECHNOLOGY LTD
P.O. Box 708
GLoucester, VA. 23061

A (1) Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) 50%

(2) Number of shares owned by shareholder at tax year end 50

B Internal Revenue Service Center where corporation filed its return PHILADELPHIA

C Tax shelter registration number (see Instructions for Schedule K-1)

D Did the shareholder materially participate in the trade or business activity(ies) of the corporation? (See instructions for Schedule K-1. Leave the check boxes blank if there are no trade or business activities.) ☒ Yes ☐ No

E Did the shareholder actively participate in the rental real estate activity(ies) of the corporation? (See instructions for Schedule K-1. Leave the check boxes blank if there are no rental real estate activities.) ☐ Yes ☐ No

F If (1) question D is checked "No" or income or loss is reported on line 2 or 3 and (2) the shareholder acquired corporate stock after 10/22/86, check here ☐ and enter the shareholder's weighted percentage increase in stock ownership for 1987 (see instructions for Schedule K-1)

G If question D is checked "No" and any activity referred to in question D was started or acquired by the corporation after 10/22/86, check here ☐ and enter the date of start up or acquisition in the date space on line 1. Also, if an activity for which income or loss is reported on line 2 or 3 was started after 10/22/86, check the box and enter the start up date in the date space on line 2 or 3.

H If the short tax year shown above was a result of a change in tax year required by section 1378, check here ☐

Caution: Refer to Shareholder's Instructions for Schedule K-1 before entering information from Schedule K-1 on your tax return.

	(a) Distributive share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Income (Losses) and Deductions	1 Ordinary income (loss) from trade or business activity(ies). Date: <u></u>	<u>100,611.43</u>	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Income or loss from rental real estate activity(ies). Date: <u></u>		
	3 Income or loss from rental activity(ies) other than line 2 above. Date: <u></u>		
	4 Portfolio income (loss):		
	a Interest	<u>58,97</u>	Sch. B, Part I, line 2
	b Dividends		Sch. B, Part II, line 4
	c Royalties		Sch. E, Part I, line 5
	d Net short-term capital gain (loss)		Sch. D, line 5, col. (f) or (g)
	e Net long-term capital gain (loss)		Sch. D, line 12, col. (f) or (g)
	f Other portfolio income (loss)		(Enter on applicable line of your return)
5 Net gain (loss) under section 1231 (other than due to casualty or theft)		Form 4797, line 1	
6 Other income (loss) (attach schedule)		(Enter on applicable line of your return)	
7 Charitable contributions		See Form 1040 Instructions.	
8 Section 179 expense deduction (attach schedule)	<u>5,000.00</u>	See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
9 Deductions related to portfolio income (loss) (attach schedule)			
10 Other deductions (attach schedule) <u>PENALTY 165.94, 206.85, 914.33?</u>	<u>503.40</u>		
Credits	11a Jobs credit	<u>5900.84</u>	Form 5884
	b Low-income housing credit		Form 8586, line 8
	c Qualified rehabilitation expenditures related to rental real estate activity(ies) (attach schedule)		<div style="border: 2px solid black; padding: 5px; text-align: center;"> PLAINTIFF'S EXHIBIT <u>18</u> </div>
	d Credits related to rental real estate activity(ies) other than on lines 11b and 11c (attach schedule)		
	e Credits related to rental activity(ies) other than on lines 11b, c, and d (attach schedule)		
	12 Other credits (attach schedule)		
Tax Preference and Adjustment Items	13a Accelerated depreciation of real property placed in service before 1987	<u>584.84</u>	Form 6251, line 5a
	b Accelerated depreciation of leased personal property placed in service before 1987		Form 6251, line 5b
	c Depreciation adjustment on property placed in service after 1986		Form 6251, line 4g
	d Depletion (other than oil and gas)		Form 6251, line 5h
	e (1) Gross income from oil, gas, or geothermal properties		See Form 6251 Instructions
	(2) Gross deductions allocable to oil, gas, or geothermal properties		
f Other items (attach schedule)		See Shareholder's Instructions for Schedule K-1 (Form 1120S)	

934

STOCKHOLDER'S BASIS IN "S" CORPORATION

(Corporation without Retained Earnings or Previously Taxed Income)

STOCKHOLDER'S NAME ROBERT C. DINEEN PER CENT OF STOCK OWNED 50%

	Stockholder's Basis
Beginning Balance 19 <u>9/1/87</u>	\$ <u>14,426.30</u>
Plus: Ordinary Income - Line 1, K-1	<u>100,411.43</u>
Separately Stated Income	<u>58.97</u>
Excess Depletion Deduction	
Less: Ordinary Loss from Operations, K-1	
Separately Stated Items of Loss & Deduction	<u>6,500.00</u>
Expenses Not Deductible to the Corp.	<u>1,503.00</u>
Depletion Deduction - Gas and Oil	
Other Adjustments (+ or -)	
TOTALS	
Less: Distributions	
Adjustment	
Beginning Balance 19 <u> </u>	
Plus: Ordinary Income - Line 1, K-1	
Separately Stated Income	
Excess Depletion Deduction	
Less: Ordinary Loss from Operations, K-1	
Separately Stated Items of Loss & Deduction	
Expenses Not Deductible to the Corp.	
Depletion Deduction - Gas and Oil	
Other Adjustments (+ or -)	
TOTALS	
Less: Distributions	
Adjustment	
Beginning Balance 19 <u> </u>	
Plus: Ordinary Income - Line 1, K-1	
Separately Stated Income	
Excess Depletion Deduction	
Less: Ordinary Loss from Operations, K-1	
Separately Stated Items of Loss & Deduction	
Expenses Not Deductible to the Corp.	
Depletion Deduction - Gas and Oil	
Other Adjustments (+ or -)	
TOTALS	
Less: Distributions	
Adjustment	
Beginning Balance 19 <u> </u>	



875.2 Distributions to Shareholders—S Corporation With Accumulated E&P

Client Name: ST Mac Lyle Client Number: _____
 Prepared By: _____ Date Completed/Hours: _____
 Reviewed By: _____ Date Completed/Hours: _____

This practice aid is used to determine the tax treatment of an S corporation shareholder if the corporation has accumulated E&P (Section 1368(c)). If the corporation has no accumulated E&P, use the practice aid at 875.1. (For taxable years beginning after 1982, an S corporation does not have any E&P. But it may have accumulated E&P from pre-1983 years in which it was an S corporation, from any pre-S corporation years in which it was a C (regular) corporation, or as a result of a tax-free reorganization where E&P was acquired from another corporation that was a party to the reorganization.) Related analysis appears at 815.
 A separate practice aid is required for each shareholder.

	Done	Not Done	N/A	Comments or Explanation
Calculate the tax on an S corporation distribution to its shareholders when the corporation has accumulated E&P by following the Steps below:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	(1) Shareholder's portion of accumulated adjustments account	(2) Shareholder's basis	(3) Shareholder's portion of earnings and profits	(4) Amount of distribution
--	---	-------------------------------	--	----------------------------------

Step 1. Enter the amounts applicable to each column

\$ _____	\$ _____	\$ <u>2926.70</u>	\$ _____
----------	----------	-------------------	----------

Step 2. Enter in Cols. (1), (2), and (4) the lesser of Line 1, Col. (1) or Col. (2), but not more than the amount on Line 1, Col. (4):

_____	_____		_____
-------	-------	--	-------

Treat the amount entered on Line 2, Col. (4) as a tax-free return of basis.

Step 3. Subtract the amounts on Line 2 from the amounts on Line 1 (in Cols. (1), (2), and (4))—but not less than zero.

_____	_____		_____
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(continued on next page)

Step 4. Enter the amount on Line 3,
Col. (1) in Cols. (1) and (4), but
not more than the amount on
Line 3, Col. (4).¹

Treat the amount entered on Line 4, Col. (4) as a capital gain.

Step 5. Subtract the amounts on Line 4
from the amounts on Line 3 (in
Cols. (1) and (4))—but not less
than zero.

Step 6. Enter the amount on Line 1,
Col. (3) in Cols. (3) and (4), but
not more than the amount on
Line 5, Col. (4).¹

Treat the amount on Line 6, Col. (4) as a dividend.

Step 7. Subtract the amounts on Line 6,
Col. (3) from Line 1, Col. (3), but
not less than zero; and
Subtract the amount on Line 6,
Col. (4) from Line 5, Col. (4),
but not less than zero.

Step 8. Enter the amount on Line 3,
Col. (2) in Cols. (2) and (4), but
not more than the amount on
Line 7, Col. (4).

Treat the amount on Line 8, Col. (4) as a tax-free return of basis.

Step 9. Subtract the amount on Line 8,
Col. (2), Line 3, Col. (2), and
Line 8, Col. (4) from Line 7, Col.
(4), but not less than zero.

Step 10. Enter the amount on Line 9,
Col. (4) in Col. (4).

*Treat the amount on Line 10, Col. (4) as a capital gain (unless the corporation is a col-
lapsible corporation).*

¹ With the consent of all the shareholders who received a distribution from the S corporation during the corpo-
ration's taxable year, the corporation may elect to avoid applying the accumulated adjustments account to any part
of the distribution. Thus, the order of distribution set forth in this practice aid would be changed and the distribu-
tion would be charged first to E&P, creating a taxable dividend. (Section 1368(c)(3)) A corporation might make this
election to clean out the E&P account and no longer be subject to the limitations imposed by the passive invest-

Supporting Statement 201012 (1) Other than listed property \$ 4,085.
(a) (b) (c)
Class of property Cost Expense deduction
SHOW DISPLAY EQUIPMENT 4,085. 4,085.

Supporting Statement 201032 (4b) 5-yr property..... \$ 3,106.
(a) (b) (c) (d) (e) (f)
Class of property Date Basis for Recovery Net Deduction
in service depreciated period has
Equipment '86 12/03/86 10,709. ✓ 3,106. ✓

Supporting Statement 201011 (4c) 7-yr real property..... \$ 3,791.
(a) (b) (c) (d) (e) (f)
Class of property Date Basis for Recovery Net Deduction
in service depreciated period has
Residential improvements 11/11/86 9,473. ✓ 3,791. ✓

Supporting Statement 201033 (5) ACPS placed prior to 1986. \$ 3,335.
Pre-1986 5-yr property..... \$ 3,335.
(a) (b) (c) (d) (e) (f)
Class of property Date Basis for Recovery Net Deduction
in service depreciated period has
Furniture & fixtures '84 12/01/84 11,391. ✓ 3,433. ✓
Equipment '85 12/01/85 4,704. ✓ 3,433. ✓

Supporting Statement 201011 (6) Other depreciation..... \$ 14,357.
(a) (b) (c) (d) (e) (f)
Description Date Cost or Basis Life of property Depreciable this year
of property acquired cost less basis less basis
Equipment '85 (175) 11/21/85 3,391. 3,393. ✓
Furniture & fixtures '86 02/25/87 1,327. 1,327. ✓
Equipment '86 03/15/87 78,129. 78,129. ✓
DISPLAY EQUIP. '86 (176) 11/01/86 4,085. 4,085. ✓ MA ✓

Supporting Statement 201046 (1) Amortization for 1986 prop \$ 1,167.
(a) (b) (c) (d) (e) (f)
Description Date Cost or Code For Amortn for
of property acquired other section Per this year
Patents 12/01/86 3,830. ✓ 20 1,167.

See Technology, Ltd.

OMB No. 1545-0072

REG. NO. 1545-0072

Business or activity..... Manufacturing

PART I-DEPRECIATION

See A-Election to Expense

	(a) Class of property	(b) Cost	(c) Expense deduction
1	Other than listed property. (See stmt #201016).....	1.	4,085.
2	Listed property. (See stmt #201016).....	2.	
3	Total.....	3.	4,085.
See B-Depreciation Recovery			

	(a) Class of property	(b) Date acquired	(c) Basis for depreciation	(d) Recovery period	(e) Net cost	(f) Depreciation
4	ACRS placed in service 1988					
4a	3-yr property.....				4a.	
4b	5-yr property..... (See stmt #201016).....				4b.	3,105.
4c	10-yr property.....				4c.	
4d	15-yr public utility property.....				4d.	
4e	Low-income housing.....				4e.	
4f	15-yr real property.....				4f.	
4g	18-yr real property.....				4g.	
4h	18-yr real property..... (See stmt #201016).....				4h.	3,991.
5	Listed property. (See stmt #201016).....				5.	
6	ACRS placed prior to 1988. See stmt #201016				6.	7,038.
See C-Depreciation Recovery						
7	Property. (See stmt #201016).....				7.	
8	Other depreciation..... (See stmt #201016).....				8.	24,387.
See D-Summary						
9	Depreciation from Form 4562A.....				9.	
10	Total (add lines 3 thru 9).....				10.	35,504.
PART II-AMORTIZATION						

	(a) Description of property	(b) Date acquired	(c) Cost or other	(d) Code section	(e) %or Per	(f) Amount for this year
1	Amortization for 1996 prop. (See stmt #201046).....				1.	1,167.
2	Amortization pre-1996 prop.....				2.	
3	Total amortization.....				3.	1,167.

Schedule L Balance Sheets		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1 Cash			100.17		27,467.77
2 Trade notes and accounts receivable		96,618.48		132,928.22	
a Less allowance for bad debts			96,618.48	7,921.85	125,006.37
3 Inventories			22,729.00		149,155.78
4 Federal and state government obligations					
5 Other current assets (attach schedule)			14,903.24		21,247.10
6 Loans to stockholders					
7 Mortgage and real estate loans					
8 Other investments (attach schedule)			1,000.00		
9 Buildings and other depreciable assets		15,686.15		174,081.62	
a Less accumulated depreciation		4,901.96	10,784.10	47,798.05	126,282.57
10 Depreciable assets					
a Less accumulated depletion					
11 Land (net of any amortization)					
12 Intangible assets (amortizable only)				5,836.20	
a Less accumulated amortization				1,167.00	4,669.20
13 Other assets (attach schedule)					
14 Total assets			146,228.06		429,630.70
Liabilities and Stockholders' Equity					
15 Accounts payable			68,906.15		113,777.11
16 Mortgages, notes, bonds payable in less than 1 year			6,808.88		22,763.67
17 Other current liabilities (attach schedule)			10,607.15		7,538.63
18 Loans from stockholders					60,000.00
19 Mortgages, notes, bonds payable in 1 year or more					200,000.00
20 Other liabilities (attach schedule)					
21 Capital stock: a Preferred stock					
b Common stock		3,000.00	3,000.00	3,000.00	3,000.00
22 Paid-in or capital surplus					
23 Retained earnings—Appropriated (attach schedule)					
24 Retained earnings—Unappropriated			25,853.78		25,853.40
25 Less cost of treasury stock			()		()
26 Total liabilities and stockholders' equity			146,228.06		429,630.70

Schedule M-1 Reconciliation of Income per Books With Income per Return

Do not complete this schedule if the total assets on line 14, column (d), of Schedule L are less than \$25,000

1 Net income per books	962.38	7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax	-	a Tax-exempt interest \$	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize)		8 Deductions in this tax return not charged against book income this year (itemize)	
5 Expenses recorded on books this year not deducted in this return (itemize)		a Depreciation \$	
a Depreciation		b Contributions carryover \$	
b Contributions carryover			
Penalties	217.48	9 Total of lines 7 and 8	
6 Total of lines 1 through 5	<744.90>	10 Income (line 28, page 1)—line 6 less line 9	<744.90>

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (line 24, Schedule L)

Do not complete this schedule if the total assets on line 14, column (d), of Schedule L are less than \$25,000

1 Balance at beginning of year	26,815.78	5 Distributions: a Cash	
2 Net income per books	<962.38>	b Stock	
3 Other increases (itemize)		c Property	
		6 Other decreases (itemize)	
		7 Total of lines 5 and 6	
4 Total of lines 1, 2, and 3	25,853.40	8 Balance at end of year (line 4 less line 7)	25,853.40

Part II Tax Computation (See instructions.) Fiscal year corporations see page 12 of instructions before completing Schedule J)

1 Check if you are a member of a controlled group (see sections 1561 and 1563) <input type="checkbox"/>			
2a If line 1 is checked, see instructions. Enter your portion of each \$25,000 taxable income bracket amount:			
(i) \$	(ii) \$	(iii) \$	(iv) \$
b If your tax year includes July 1, 1987, see instructions and enter share of tax bracket amounts			
(i)	(ii)		
3 Income tax (see instructions to figure the tax; enter this tax or alternative tax, whichever is less). Check if alternative tax is used <input type="checkbox"/>		3	
4a Foreign tax credit (attach Form 1118)	4a		
b Possessions tax credit (attach Form 5735)	b		
c Orphan drug credit (attach Form 6765)	c		
d Credit for fuel produced from a nonconventional source (see instructions)	d		
e General business credit. Enter here and check which forms are attached <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 3468 <input type="checkbox"/> Form 5884 <input type="checkbox"/> Form 5478 <input type="checkbox"/> Form 8007 <input type="checkbox"/> Form 6765 <input type="checkbox"/> Form 8586	e		
5 Total—Add lines 4a through 4e	5		
6 Line 3 less line 5	6		
7 Personal holding company tax (attach Schedule PH (Form 1120))	7		
8 Tax from recomputing prior year investment credit (attach Form 4255)	8		
9 Minimum tax on tax preference items (see instructions—attach Form 4026)	9		
10 Total tax—Add lines 6 through 9. Enter here and on line 31, page 1	10		

Additional Information (See instruction F)

	Yes	No		Yes	No
H Did the corporation claim a deduction for expenses connected with:			(e) Enter highest amount owed to the corporation by such owner during the year <input type="checkbox"/>		
(1) Entertainment facility (boat, resort, ranch, etc.)?	X		Note: For purposes of (1) and (2), "highest amount owed" includes loans and accounts receivable payable		
(2) Living accommodations (except employees on business)?	X		J Refer to the list in the instructions and state the principal business activity <input type="checkbox"/> Manufacturing		
(3) Employees attending conventions or meetings outside the North American area? (See section 274(h))	X		Product or service <input type="checkbox"/> Fiberglass		
(4) Employees' families at conventions or meetings?	X		K Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957)		
If "Yes," were any of these conventions or meetings outside the North American area? (See section 274(h))	X		If "Yes," attach Form 5471 for each such corporation		
(5) Employee or family vacations not reported on Form W-2?	X		L At any time during the tax year, did the corporation 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)?		
I (1) Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c))	X		(See instruction F and filing requirements for form 10 F 90 22 1)		
If "Yes," attach a schedule showing (a) name, address, and identifying number, (b) percentage owned, (c) taxable income or (loss) before NOL and special deductions (e.g., if a Form 1120, from Form 1120, line 28, page 1) of such corporation for the tax year ending with or within your tax year; (d) highest amount owed by the corporation to such corporation during the year; and (e) highest amount owed to the corporation by such corporation during the year.	X		If "Yes," enter name of foreign country <input type="checkbox"/>		
(2) Did any individual, partnership, corporation, estate, or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c)) If "Yes," complete (a) through (e)	X		M Was the corporation the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not the corporation has any beneficial interest in it?		
(a) Attach a schedule showing name, address, and identifying number.	X		If "Yes," the corporation may have to file Forms 3520, 3520-A, or 926		
(b) Enter percentage owned <input type="checkbox"/> See Sch. F	X		N During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316).		
(c) Was the owner of such voting stock a person other than a U.S. person? (See instructions.) Note: If "Yes," the corporation may have to file Form 5472.	X		If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule for each subsidiary.		
If "Yes," enter owner's country <input type="checkbox"/>	X		O During this tax year did the corporation maintain any part of its accounting/tax records on a computerized system?		
(d) Enter highest amount owed by the corporation to such owner during the year <input type="checkbox"/>	X		P Check method of accounting:		
			(1) <input type="checkbox"/> Cash		
			(2) <input checked="" type="checkbox"/> Accrual		
			(3) <input type="checkbox"/> Other (specify) <input type="checkbox"/>		
			Q Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/>		
			If so, the corporation may have to file Form 8281.		

Schedule A Cost of Goods Sold and/or Operations (See instructions for line 2, page 1)

1 Inventory at beginning of year	1	22,729	100
2 Purchases	2	541,278	24
3 Cost of labor	3	218,586	40
4 Other costs (attach schedule)	4	38,610	07
5 Total—Add lines 1 through 4	5	825,201	71
6 Inventory at end of year	6	149,155	78
7 Cost of goods sold and/or operations—Line 5 less line 6. Enter here and on line 2, page 1	7	676,045	93

8 a Check all methods used for valuing closing inventory:

- (i) ☒ Cost (ii) ☐ Lower of cost or market as described in Regulations section 1.471-4 (see instructions)
 (iii) ☐ Writedown of "subnormal" goods as described in Regulations section 1.471-2(c) (see instructions)
 (iv) ☐ Other (Specify method used and attach explanation) ▶

b Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐

c If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO

8c

d If you are engaged in manufacturing, did you value your inventory using the full absorption method (Regulations section 1.471-11)? ☐ Yes ☐ Noe Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No
If "Yes," attach explanation.**Schedule C Dividends and Special Deductions** (See Schedule C instructions)

(a) Dividends received	(b) %	(c) Special deductions (multiply (a) by (b))
1 Domestic corporations subject to section 243(a) deduction (other than debt-financed stock)	see instructions	
2 Debt-financed stock of domestic and foreign corporations (section 246A)	see instructions	
3 Certain preferred stock of public utilities	see instructions	
4 Foreign corporations and certain FSCs subject to section 245 deduction	see instructions	
5 Wholly owned foreign subsidiaries and FSCs subject to 100% deduction (sections 245(b) and (c))	100	
6 Total—Add lines 1 through 5. See instructions for limitation		
7 Affiliated groups subject to the 100% deduction (sections 243(a)(3))	100	
8 Other dividends from foreign corporations not included in lines 4 and 5		
9 Income from controlled foreign corporations under subpart F (attach Forms 5471)		
10 Foreign dividend gross-up (section 78)		
11 IC-DISC or former DISC dividends not included in lines 1 and/or 2 (section 246(d))		
12 Other dividends		
13 Deduction for dividends paid on certain preferred stock of public utilities (see instructions)		
14 Total dividends—Add lines 1 through 12. Enter here and on line 4, page 1		
15 Total deductions—Add lines 6, 7, and 13. Enter here and on line 29b, page 1		

Schedule E Compensation of Officers (See instructions for line 12, page 1)

Complete Schedule E only if total receipts (line 1a, plus lines 4 through 10, of page 1, Form 1120) are \$150,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
Robert C. Dively	301-26-7910	100 %	0 %	%	147,055.22
McClanahan Ingles	228-64-6125	35 %	100 %	%	204,000.00
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	

Total compensation of officers—Enter here and on line 12, page 1

Schedule F Bad Debts—Reserve Method (See instructions for line 15, page 1)

(a) Year	(b) Trade notes and accounts receivable outstanding at end of year	(c) Sales on account	Amount added to reserve		(f) Amount charged against reserve	(g) Reserve for bad debts at end of year
			(d) Current year's provision	(e) Recoveries		
1981						
1982						
1983						
1984	549.76					
1985	96,613.48	770,999.00				
1986	132,928.22	1,223,915.52	7921.85	957	7921.85	7921.95

1120

U.S. Corporation Income Tax Return

OMB No. 1545-0047

1986

Department of the Treasury
Internal Revenue Service

For calendar 1986 or tax year beginning

1986 ending

3/31

1987

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Check if a —

1 Consolidated return.

2 Personal Holding Co.

3 Business Code No. (See the list in the instructions)

3225

Use
IRS
label.
Other-
wise
please
print
or type.

Name

Tea Technology, Inc.

Number and street

P. O. Box 708

City or town, state, and ZIP code

Gloucester, VA 23061

4 Employer identification number

54-1207475

5 Date incorporated

9/27/84

6 Total assets (see Specific Instructions)

Dollars

\$ 429,930

Cents

69

7 Check box if there has been a change in address from the previous year

Income	1a	Gross receipts or sales	b	Less returns and allowances	Balance	1c	1,223,915	52
	2	Cost of goods sold and/or operations (Schedule A)				2	676,045	93
	3	Gross profit (line 1c less line 2)				3	547,869	59
	4	Dividends (Schedule C)				4		
	5	Interest				5		
	6	Gross rents				6		
	7	Gross royalties				7		
	8	Capital gains or income (attach separate Schedule D)				8		
	9	Net gain or loss from Form 4797, line 17, Part II (attach Form 4797)				9		
	10	Other income (see instructions — attach schedule)				10	23,871	17
11	TOTAL income — Add lines 3 through 10 and enter here				11	571,740	76	
Deductions	12	Compensation of officers (Schedule E)				12	571,740	76
	13a	Salaries and wages	b	Less profit sharing	Balance	13c		
	14	Repairs				14		
	15	Bad debts (Schedule F if reserve method is used)				15	7,921	87
	16	Rents				16	13,607	00
	17	Taxes				17	25,256	13
	18	Interest				18	4,029	10
	19	Contributions (see instructions for 10% limitation)				19		
	20	Depreciation (attach Form 4562)	20a	40,670	50	20b	40,670	50
	21	Less depreciation claimed in Schedule A and elsewhere on return	21a			21b		
Tax and Payments	22	Depletion				22		
	23	Advertising				23	3,165	00
	24	Pension, profit sharing, etc., plans				24		
	25	Employee benefit programs				25		
	26	Other deductions (attach schedule)				26	124,211	13
	27	TOTAL deductions — Add lines 12 through 26 and enter here				27	571,916	60
	28	Taxable income before net operating loss deduction and special deductions (line 11 less line 27)				28	<744	00
	29	Less: a Net operating loss deduction (see instructions)	29a			29b		
		b Special deductions (Schedule C)				29c		
	30	Taxable income (line 28 less line 29c)				30	<744	00
31	TOTAL TAX (Schedule J)				31	-0-		
Tax and Payments	32	Payments: a 1985 overpayment credited to 1986						
	b	1986 estimated tax payments	3450	00				
	c	Less 1986 refund applied for on Form 4466						
	d	Tax deposited with Form 7004						
	e	Credit from regulated investment companies (attach Form 2439)						
	f	Credit for Federal tax on gasoline and special fuels (attach Form 4136)						
	32	Enter any PENALTY for underpayment of estimated tax — check <input type="checkbox"/> if Form 2220 is attached				32	3,450	00
	33	TAX DUE — If the total of lines 31 and 33 is larger than line 32, enter AMOUNT OWED				33		
34	OVERPAYMENT — If line 32 is larger than the total of lines 31 and 33, enter AMOUNT OVERPAID				34			
35	Enter amount of line 35 you want Credited to 1987 estimated tax				35	3,450	00	
36	Refunded				36	3,450	00	

Please
Sign
Here

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. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

956

Date 10/8/87

Check
if self-
employed ☐

Preparer's social security number

224 38 7250

E.I. No.

54 1380821

ZIP code

23703

PLAINTIFF'S
EXHIBIT

(Red)

J.W. Eaton Financial Services

5709 Churchland Blvd., Portsmouth, VA

FORM

302Department of Taxation
Box 1500
Richmond, Va. 23212-1500

Computation of ACRS Depreciation Subtractions

1988

▶ Attach this form to your Virginia return

First Name and Initial

Last Name

Social Security Number

OR Business Name as shown on return

UNITED METERING SERVICES, INC.

Federal Employer Identification Number

54-1406945

Virginia Corporation Account Number

1. Computation of ACRS subtractions:

	Column A	Column B	Column C	Column D	Column E
	Taxable Year Beginning	ACRS Addition on Va. Return	Total for Biennium	Total Prior Year ACRS Subtractions For Biennium	Remaining ACRS Subtractions (Column C - Column D)
a.	1982	\$			
b.	1983	\$	\$		\$
c.	1984	\$			
d.	1985	\$	\$		\$
e.	1986	\$			
f.	1987	\$ <u>115</u>	\$ <u>115</u>	<u>-</u>	\$ <u>115</u>

2. Total remaining ACRS subtractions (enter total of Column E) \$ 115
3. Recovery percentage (see Line 3 instructions on back) 10 %
4. Amount available for use (multiply Line 2 by Line 3 and enter the total here) \$ 12
5. ACRS subtractions passed through for the current year from a partnership, estate, trust or S corporation income tax return. A Form 302 from the entity or a statement if the distribution is from a partnership must be attached to your income tax return in order for a subtraction to be allowed on this line \$ -
6. Available ACRS subtractions amount for this year (add Line 4 and Line 5) \$ 12
7. Compute taxable income on your income tax return without the ACRS subtraction and enter here \$ 6810
- Enter the lesser amount of Line 6 or Line 7. Enter this same amount on the ACRS subtraction line on your return and recompute Virginia taxable income \$ 12
9. ACRS subtraction CARRYOVER amount for next year (subtract Line 8 from Line 6) **955** \$ -
Save this number for the next taxable year computation.

PART I — Additions to Federal Taxable Income (attach schedules):

21	Net income taxes and other taxes which are based on, measured by or computed with reference to net income	21	
22	Interest on state obligations other than Virginia	22	
23	Savings and loan association's federal bad debt deduction	23	
24	Unrelated business taxable income as defined by Section 512 of the IRC (to the extent excluded from Line 1, Page 1)	24	
25	The amount of ESOP Credit carryover deducted under Section 404(i) of the IRC	25	
26	Other	26	
27	Total — Enter this amount on Line 2	27	

PART II — Subtractions from Federal Taxable Income (attach schedules):

28	Interest or dividends on obligations or securities of the United States exempt from state income taxes but not from federal income taxes	28	
29	Foreign dividend gross-up (Section 78 IRC)	29	
30	Refund or credit of income taxes included in federal taxable income	30	
31	Subpart F income (Section 951 IRC)	31	
32	The amount of salaries and wages not deducted due to the Federal Jobs Credit	32	
33	Foreign source income as defined by Virginia Code Section 58.1-322 C.7 (See instructions for limitations)	33	
34	Dividends received from corporations in which the recipient owns fifty percent or more of the voting stock and to the extent remaining in federal taxable income	34	
35	Other	35	
36	Total — Enter this amount on Line 4(b)	36	

PART III — Questions

- 37 The corporations' books are in care of Corporate Officers Located at Gloucester, VA
Telephone Number (804) 693-2500
- 38 Check if the corporation is a farmers' marketing or a farmers' purchasing cooperative association ☐ a consumers' cooperative association ☐ or other cooperative association ☐
- 39 Has your federal income tax liability been redetermined for any prior year(s) which has not previously been reported to the Virginia Department of Taxation? Yes ☐ No ☒ If "yes," state years . Report changes under separate cover and mail to Virginia Department of Taxation, P.O. Box 6-L, Richmond, Virginia 23282.

FORM 500

Department of Taxation

Box 1500

Richmond, Va. 23212-1500

Virginia Corporation Income Tax Return

For calendar year 1988 or taxable year beginning

1988 and ending

1988

Check if —	Name	Official use only
A Consolidated return <input type="checkbox"/>	UNITED METERING SERVICES, INC.	
B Combined return <input type="checkbox"/>	Number and street	
C WITHDRAWAL or DISSOLUTION (Final return) <input type="checkbox"/>	P. O. Box 1759	
	City or town, state and ZIP Code	Federal Employer Identification Number
	Gloucester, VA 23061	54 1406945
Federal Business Code No.	Date incorporated	State or Country
3698	4/10/85	Virginia
	Principal business activity	Virginia Corporation Account Number
	Manufacturing	

IMPORTANT: ATTACH A COPY OF YOUR FEDERAL RETURN TO THIS RETURN

	Amount
1 Federal taxable income (from attached federal return) ... \$6531 + \$416	1 6 947
2 Additions (from line 27)	2
3 Total (add lines 1 and 2)	3 6 947
4 (a) ACRS subtraction (from Form 302)	4(a)
(b) Subtractions (from line 36)	(b)
5 Total (line 3 minus lines 4(a) and 4(b))	5 6 947
6 Savings and loan association's bad debt deduction—(see instructions)	6
7 Virginia taxable income (line 5 minus line 6)	7 6 945
8 (a) Income of a multistate corporation subject to Virginia tax (Schedule A)	8(a)
(b) Apportionment factor from Schedule A, Line 2, 3, 4, 5, or 10 ... %	
9 Income tax (6% of line 7 or line 8(a))	9 416
10 Tax Credits	
(a) Neighborhood Assistance Act Credit	
(b) Enterprise Zone Credit	
(c) Conservation Tillage Equipment Credit	
(d) Coal Cogeneration Credit	
Total tax credits (add lines (a), (b), (c) and (d))	10
11 Adjusted tax (subtract line 10 from line 9)	11
12 Credits:	
(a) 1988 estimated Virginia income tax payments made with Form 500ES	-00-
(b) Prior year's overpayment	
(c) Payments with extension request and other payments	
Total credits (add lines (a), (b) and (c))	12
13 Tax due (subtract line 12 from line 11)	13 416
14 Penalty (see instructions)	14
15 Interest (see instructions)	15
16 Additional charge (attach Form 500C)	16
17 Total due (add lines 13, 14, 15 and 16). Attach Form 500-V with payment due	17 416
18 Overpayment (if line 12 is larger than line 11 enter overpayment)	18
19 Amount to be credited to 1989 estimated tax	19
20 Amount to be refunded (subtract line 19 from line 18)	20

Mail this return to the Virginia Department of Taxation, P.O. Box 1500, Richmond, Virginia 23212-1500 on or before the fifteenth day of the fourth month following the close of the taxable year. Checks should be made payable to the Virginia Department of Taxation.

DECLARATION

I, the undersigned president, vice-president, treasurer, assistant treasurer, chief accounting officer, or other officer duly authorized to act, of the corporation for which this return is made, declare under the penalties provided by law that this return (including any accompanying schedules and statements) has been examined by me and is, to the best of my knowledge and belief, a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the income tax laws of the Commonwealth of Virginia. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

(Date)	(Signature of officer)	953	(Title)
		3108 Tyre Neck Road, Portsmouth	
(Date)	(Individual or firm, signature of preparer)	(Address)	VA 23703
	J.W.EATON FINANCIAL SERVICES		

United Metering Services, Inc.
Federal Income Tax Grouping by Account

	This Year	Last Year
	-----	-----
230 L Advance from Sea Technology	0.00	37,665.42
Line Total	0.00	37,665.42
	=====	=====
Page # 4 - Line # 21.2 :		
270 L Capital Stock	500.00	500.00
Line Total	500.00	500.00
	=====	=====
Page # 4 - Line # 24 :		
270 L Retained Earnings - Fed.	7,403.91	0.00
Line Total	7,403.91	0.00
	=====	=====
Page # 4 - Line # 30 :		
591 E Penalties	137.06	0.00
Line Total	137.06	0.00
	=====	=====

United Metering Services, Inc.
Federal Income Tax Worksheet

Page 4

	This Year	Last Year
Page # 4 - Line # 9.1 :		
165 L Acc. Depr. - Equipment	10,937.19	10,382.00
Line Total	10,937.19	10,382.00
Page # 4 - Line # 12 :		
191 A Organizational Costs	1,999.91	2,149.99
192 A Patents - Net	716.07	0.00
Line Total	2,605.98	2,149.99
Page # 4 - Line # 13.1 :		
163 L Acc. Amortization - Patents	1,074.00	0.00
Line Total	1,074.00	0.00
Page # 4 - Line # 15 :		
204 L Accounts Payable - Trade	16,683.00	10,312.00
Line Total	16,683.00	10,312.00
Page # 4 - Line # 16 :		
207 L Line of Credit - U.V.B.	99,400.00	25,900.00
Line Total	99,400.00	25,900.00
Page # 4 - Line # 17 :		
206 L Accounts Payable - Other	3,604.10	0.00
208 L Misc Payroll Deductions	2,318.14	1,341.14
219 L FUTA Payable	459.49	69.40
215 L Federal & FICA W/H Payable	1,227.29	-1.08
220 L U.S. Corp. Income Tax	980.00	1,306.57
217 L SUTA Payable	650.87	216.84
216 L State W/H Payable	324.23	1,029.03
227 L State Corp. Income Tax	416.00	583.33
Line Total	10,480.17	4,423.23
Page # 4 - Line # 18 :		
245 L Notes Payable - Shareholder	96,000.00	0.00
Line Total	96,000.00	0.00

jr 88

United Metering Services, Inc.
Federal Income Tax Schedule M, Part III

Date: 12/31/88

		This Year	Last Year
		-----	-----
413	E Contract Labor	113.36	0.00
411	E Bonuses	0.00	1,375.00
Line Total		117,541.88	94,943.59
		=====	=====
Page # 3	- Line # 4 :		
403	E Freight and Duty	371.16	1,050.43
404	E Packing Materials	3,642.52	0.00
402	E Small Tools	118.52	1,721.31
Line Total		4,132.20	2,771.74
		=====	=====
Page # 2	- Line # 5 :		
450	E Ending Inventory	-99,756.04	-61,528.94
Line Total		-99,756.04	-61,528.94
		=====	=====
Page # 4	- Line # 1 :		
104	A Cash in Bank - United Va.	5,293.34	71.44
102	A Petty Cash	27.30	0.00
Line Total		5,320.64	71.44
		=====	=====
Page # 4	- Line # 2 :		
170	A Accounts Receivable - Trade	121,904.18	10,500.85
119	A Accts Receivable - Reg. Est.	0.00	7,000.00
Line Total		121,904.18	17,500.85
		=====	=====
Page # 4	- Line # 3 :		
130	A Inventory	99,756.04	61,528.94
Line Total		99,756.04	61,528.94
		=====	=====
Page # 4	- Line # 5 :		
122	A Accts Receivable-Employees	300.00	1,300.00
Line Total		300.00	1,300.00
		=====	=====
Page # 4	- Line # 9 :		
155	A Equipment	12,676.00	12,676.00
151	A Furniture & Fixtures	260.00	200.00
Line Total		12,936.00	12,936.00
		=====	=====

United Petroleum Services, Inc.
Federal Income Tax Computation - Amount

Page 2

		2018 (2017)	Last Year
Page # 1 - Line # 33 :			
502 E Advertising		0.00	806.55
Line Total		0.00	806.55

Page # 1	-	Line # 35 :			
549	E	Bank Charges	173.68		1.15
551	E	Directors Fees	14,000.00		0.00
553	E	Miscellaneous	0.00		0.00
558	E	Equipment Rental	0.00		0.00
562	E	Licenses and Fees	125.00		1,000.00
574	E	Computer Services	222.15		0.00
585	E	Education & Training	0.00		0.00
594	E	Trade Show Expenses	1,342.00		0.00
597	E	Telephone	721.44		1,001.00
598	E	Professional Fees	2,098.00		10.13
599	E	Utilities	1,400.00		2,000.00
443	E	Travel	0.00		1,514.34
582	E	Postage	0.00		11.50
542	E	Payroll Taxes	30.30		2,515.19
573	E	Miscellaneous Expenses	69.98		291.19
571	E	Management Fee	132,000.00		0.00
575	E	Testing Expenses	12,078.54		0.00
576	E	Travel	0.00		0.00
577	E	Stationery & Office Supplies	1,709.05		1,200.46
580	E	Freight Out	577.20		229.05
Line Total			170,173.46		10,051.19

Page # 1 - Line # 32.1 :		
650 E U.S. Corp. Income Tax	0.00	1,306.57
Line Total	0.00	1,306.57
=====		

Page # 2 - Line # 1 :		
645 E Beginning Inventory	61,938.94	0.00
	-----	-----
Line Total	61,938.94	0.00
	=====	=====

Page # 2 - Line # 2 :		
602 E Materials	183,434.75	138,056.30
	-----	-----
Line Total	183,434.75	138,056.30
	=====	=====

Page # 2 - Line # 3 :			
410 E Direct Labor	949	117,427.86	93,568.59

United Metering Services, Inc.
Federal Income Tax Grouping By Account

Page 1

This Year

Last Year

	This Year	Last Year
Page # 0 - Line # 0 :		
561 E Income Tax - Federal	980.00	0.00
Line Total	980.00	0.00
Page # 1 - Line # 1 :		
391 E Sales	464,787.38	315,954.50
Line Total	464,787.38	315,954.50
Page # 1 - Line # 10 :		
433 E Miscellaneous Income	3,369.17	6,338.79
Line Total	3,369.17	6,338.79
Page # 1 - Line # 14 :		
570 E Maintenance and Repairs	54.91	208.31
Line Total	54.91	208.31
Page # 1 - Line # 16 :		
584 E Rents	7,349.96	6,360.90
Line Total	7,349.96	6,360.90
Page # 1 - Line # 17 :		
590 E FICA Expense	8,140.70	0.00
593 E Fed. Unemployment Ins.	651.22	0.00
585 E State Corp. Income Tax	416.00	563.33
591 E State Unemployment Tax	2,081.65	0.00
Line Total	11,289.57	563.33
Page # 1 - Line # 19 :		
560 E Interest Expense	4,349.46	2,035.89
Line Total	4,349.46	2,035.89
Page # 1 - Line # 20 :		
514 E Depreciation	630.19	10,382.00
552 E Amortization Expense	537.00	0.00
505 E Amortization Expense	0.00	537.00
Line Total	1,167.19	10,919.00

Supplemental Statement (a) (b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (l) (m) (n) (o) (p) (q) (r) (s) (t) (u) (v) (w) (x) (y) (z) (aa) (ab) (ac) (ad) (ae) (af) (ag) (ah) (ai) (aj) (ak) (al) (am) (an) (ao) (ap) (aq) (ar) (as) (at) (au) (av) (aw) (ax) (ay) (az) (ba) (bb) (bc) (bd) (be) (bf) (bg) (bh) (bi) (bj) (bk) (bl) (bm) (bn) (bo) (bp) (bq) (br) (bs) (bt) (bu) (bv) (bw) (bx) (by) (bz) (ca) (cb) (cc) (cd) (ce) (cf) (cg) (ch) (ci) (cj) (ck) (cl) (cm) (cn) (co) (cp) (cq) (cr) (cs) (ct) (cu) (cv) (cw) (cx) (cy) (cz) (da) (db) (dc) (dd) (de) (df) (dg) (dh) (di) (dj) (dk) (dl) (dm) (dn) (do) (dp) (dq) (dr) (ds) (dt) (du) (dv) (dw) (dx) (dy) (dz) (ea) (eb) (ec) (ed) (ee) (ef) (eg) (eh) (ei) (ej) (ek) (el) (em) (en) (eo) (ep) (eq) (er) (es) (et) (eu) (ev) (ew) (ex) (ey) (ez) (fa) (fb) (fc) (fd) (fe) (ff) (fg) (fh) (fi) (fj) (fk) (fl) (fm) (fn) (fo) (fp) (fq) (fr) (fs) (ft) (fu) (fv) (fw) (fx) (fy) (fz) (ga) (gb) (gc) (gd) (ge) (gf) (gg) (gh) (gi) (gj) (gk) (gl) (gm) (gn) (go) (gp) (gq) (gr) (gs) (gt) (gu) (gv) (gw) (gx) (gy) (gz) (ha) (hb) (hc) (hd) (he) (hf) (hg) (hh) (hi) (hj) (hk) (hl) (hm) (hn) (ho) (hp) (hq) (hr) (hs) (ht) (hu) (hv) (hw) (hx) (hy) (hz) (ia) (ib) (ic) (id) (ie) (if) (ig) (ih) (ii) (ij) (ik) (il) (im) (in) (io) (ip) (iq) (ir) (is) (it) (iu) (iv) (iw) (ix) (iy) (iz) (ja) (jb) (jc) (jd) (je) (jf) (jg) (jh) (ji) (jj) (jk) (jl) (jm) (jn) (jo) (jp) (jq) (jr) (js) (jt) (ju) (jv) (jw) (jx) (jy) (jz) (ka) (kb) (kc) (kd) (ke) (kf) (kg) (kh) (ki) (kj) (kk) (kl) (km) (kn) (ko) (kp) (kq) (kr) (ks) (kt) (ku) (kv) (kw) (kx) (ky) (kz) (la) (lb) (lc) (ld) (le) (lf) (lg) (lh) (li) (lj) (lk) (ll) (lm) (ln) (lo) (lp) (lq) (lr) (ls) (lt) (lu) (lv) (lw) (lx) (ly) (lz) (ma) (mb) (mc) (md) (me) (mf) (mg) (mh) (mi) (mj) (mk) (ml) (mm) (mn) (mo) (mp) (mq) (mr) (ms) (mt) (mu) (mv) (mw) (mx) (my) (mz) (na) (nb) (nc) (nd) (ne) (nf) (ng) (nh) (ni) (nj) (nk) (nl) (nm) (nn) (no) (np) (nq) (nr) (ns) (nt) (nu) (nv) (nw) (nx) (ny) (nz) (oa) (ob) (oc) (od) (oe) (of) (og) (oh) (oi) (oj) (ok) (ol) (om) (on) (oo) (op) (oq) (or) (os) (ot) (ou) (ov) (ow) (ox) (oy) (oz) (pa) (pb) (pc) (pd) (pe) (pf) (pg) (ph) (pi) (pj) (pk) (pl) (pm) (pn) (po) (pp) (pq) (pr) (ps) (pt) (pu) (pv) (pw) (px) (py) (pz) (qa) (qb) (qc) (qd) (qe) (qf) (qg) (qh) (qi) (qj) (qk) (ql) (qm) (qn) (qo) (qp) (qq) (qr) (qs) (qt) (qu) (qv) (qw) (qx) (qy) (qz) (ra) (rb) (rc) (rd) (re) (rf) (rg) (rh) (ri) (rj) (rk) (rl) (rm) (rn) (ro) (rp) (rq) (rr) (rs) (rt) (ru) (rv) (rw) (rx) (ry) (rz) (sa) (sb) (sc) (sd) (se) (sf) (sg) (sh) (si) (sj) (sk) (sl) (sm) (sn) (so) (sp) (sq) (sr) (ss) (st) (su) (sv) (sw) (sx) (sy) (sz) (ta) (tb) (tc) (td) (te) (tf) (tg) (th) (ti) (tj) (tk) (tl) (tm) (tn) (to) (tp) (tq) (tr) (ts) (tt) (tu) (tv) (tw) (tx) (ty) (tz) (ua) (ub) (uc) (ud) (ue) (uf) (ug) (uh) (ui) (uj) (uk) (ul) (um) (un) (uo) (up) (uq) (ur) (us) (ut) (uu) (uv) (uw) (ux) (uy) (uz) (va) (vb) (vc) (vd) (ve) (vf) (vg) (vh) (vi) (vj) (vk) (vl) (vm) (vn) (vo) (vp) (vq) (vr) (vs) (vt) (vu) (vv) (vw) (vx) (vy) (vz) (wa) (wb) (wc) (wd) (we) (wf) (wg) (wh) (wi) (wj) (wk) (wl) (wm) (wn) (wo) (wp) (wq) (wr) (ws) (wt) (wu) (wv) (ww) (wx) (wy) (wz) (xa) (xb) (xc) (xd) (xe) (xf) (xg) (xh) (xi) (xj) (xk) (xl) (xm) (xn) (xo) (xp) (xq) (xr) (xs) (xt) (xu) (xv) (xw) (xx) (xy) (xz) (ya) (yb) (yc) (yd) (ye) (yf) (yg) (yh) (yi) (yj) (yk) (yl) (ym) (yn) (yo) (yp) (yq) (yr) (ys) (yt) (yu) (yv) (yw) (yx) (yy) (yz) (za) (zb) (zc) (zd) (ze) (zf) (zg) (zh) (zi) (zj) (zk) (zl) (zm) (zn) (zo) (zp) (zq) (zr) (zs) (zt) (zu) (zv) (zw) (zx) (zy) (zz)

Supplemental Statement (a)	(b)	(c)	(d)	(e)	(f)
Class of property	Date in serv	Basis for deprecia	Recovery period	Method	Deductible
7 - WINDING MACHINE	03/24/87	2,057.	7.	PRE	5,000.00

Supplemental Statement (a)	(b)	(c)	(d)	(e)	(f)
Class of property	Date acquired	Cost or other basis	Recovery period	Method	Deductible
ADDITIONAL 1000 - 1000	01/05/87	2,500.	5		1,000.

Form 4562, U.S. Department of the Treasury
 Instructions for Form 4562
 Part III - Depreciable Property
 Section 179. Depreciable property.
 Evidence supports business use? No. If yes, is the evidence written? No.

(a) Type	(b) Date placed	(c) Business use (%)	(d) Cost or other	(e) Basis for depreciation	(f) Met deduction	(g) Depreciation deduction	(h) Sec. 179 expense
Listed property							
Tot 179 exp for line 8, col 1.....							
Total dep for line 8, col 1.....							
Part B - Info on Vehicle Use.....							
1	Total miles driven in year.....						
2	Total business miles driven.....						
3	Total commuting miles driven.....						
4	Total other personal use.....						
5	Available for personal use.....						
6	Available for personal use.....						
7	Available for personal use.....						
8	Written policy prohibits all personal use.....						
9	Written policy prohibits personal use commutp.....						
10	Treat all as personal use.....						
11	Provide more than 5% lease rate for employees.....						
12	Net less of fleet or lease.....						

For Paperwork Reduction Act Notice, See Separate Instructions

PART I DEPRECIATION (See instructions)

Sec A. Election to Expense

(a) Description	(b) Date placed in service	(c) Cost	(d) Expense deduction
1. Total cost from Part III.....	1.		23.
2. Listed property from Part III.....	2.		
3. Total.....	3.		23.
4. Excess of cost over 100%.....	4.		
5. Sec 179 expense deduction.....	5.		23.
Section B. Depreciation			

(a) Description	(b) Date placed in service	(c) Cost or other basis	(d) Depreciable amount	(e) Depreciation method	(f) Rate	(g) First year deduction	(h) Depreciation for the year
1. MACRS placed during 1998.....							
2a. 3-year property.....							50.
2b. 5-year property.....							20.
2c. 7-year property.....							
2d. 10-year property.....							
2e. 15-year property.....							
2f. 20-year property.....							
3. Residential rental property.....							10.
4a. Nonresidential real property.....							10.
4b. Alternative depreciation system.....							7.
5. Listed property from Part III.....							8.
6. MACRS placed before 1998, from last 10 years.....							23.
7. Total of (5) & (6).....							23.
8. Property under sec 1607(f)(1).....							10.
9. ACRS & other depreciation.....							11.
Section D. Summary							
10. Total (lines 5 through 11).....							630.
11. New Sec 263A property.....							13.
PART II AMORTIZATION							

(a) Description of property	(b) Date acquired	(c) Cost or other	(d) Code section	(e) Rate per	(f) Amount for this year
1. Amortization for 1998 prop.....					1.
2. Amortization pre-1998 prop. (Sec 191(b)(1)).....					137.
3. Total amortization.....					138.

United Veterans Services, Inc.
#54-12060-5

Form 1120, Page 3
Schedule J.
Additional Information
#I (2) (a)

McClanahan Ingles
P. O. Box 708
Gloucester, VA 23061
226-64-6125

Robert W. Blaney
c/o William Allen
Gloucester, VA 23061
226-64-6125

Schedule L Balance Sheets

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		714.44		5 111
2 Trade notes and accounts receivable	17 648.65		121 904	
a Less allowance for bad debts		17 648.65	-	121 904
3 Inventories		61 838.94		99 756
4 Federal and state government obligations		-		-
5 Other current assets (attach schedule)		1 300.00		300
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other depreciable assets	12 936.00		12 936	
a Less accumulated depreciation	10 382.00	2 554.00	10 937	1 999
10 Depletable assets				
a Less accumulated depletion				
11 Land (net of any amortization)				
12 Intangible assets (amortizable only)	2 685.98		2 686	
a Less accumulated amortization	537.00	2 148.98	1 074	1 612
13 Other assets (attach schedule)				
14 Total assets		86 205.01		230 882
Liabilities and Stockholders' Equity				
15 Accounts payable		10 312.45		16 584
16 Mortgages, notes, bonds payable in less than 1 year		25 900.00		92 200
17 Other current liabilities (attach schedule)		4 423.23		10 480
18 Loans from stockholders				96 000
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)		37 665.42		
21 Capital stock: a Preferred stock				
b Common stock	500.00	500.00	500	500
22 Paid-in or capital surplus				
23 Retained earnings—Appropriated (attach schedule)				
24 Retained earnings—Unappropriated		7 403.91		12 818
25 Less cost of treasury stock		()		()
26 Total liabilities and stockholders' equity		86 205.01		230 882

Schedule M-1 Reconciliation of Income per Books With Income per Return (You are not required to complete this schedule if the total assets on line 14, column (d), of Schedule L are less than \$25,000.)

1 Net income per books	5 414	7 Income recorded on books this year not included in this return (itemize):	
2 Federal income tax	980	a Tax-exempt interest \$	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize):			
5 Expenses recorded on books this year not deducted in this return (itemize):		8 Deductions in this tax return not charged against book income this year (itemize):	
a Depreciation \$		a Depreciation \$	
b Contributions carryover \$		b Contributions carryover \$	
c Travel and entertainment \$			
Penalties	137		
6 Total of lines 1 through 5	6 531	9 Total of lines 7 and 8	
		10 Income (line 28, page 1)—line 6 less line 9	6 531

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (line 24, Schedule L) (You are not required to complete this schedule if the total assets on line 14, column (d), of Schedule L are less than \$25,000.)

1 Balance at beginning of year	7 404	5 Distributions: a Cash	
2 Net income per books	5 414	b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	
4 Total of lines 1, 2, and 3	12 818	7 Total of lines 5 and 6	
		8 Balance at end of year (line 4 less line 7)	12 818

Schedule J Tax Computation (See instructions)

1	Check if you are a member of a controlled group (see sections 1561 and 1563)		
2	If line 1 is checked		
a	Enter your share of the \$50,000 and \$25,000 taxable income bracket amounts (in that order): (i) \$ <u>6,531</u> (ii) \$ <u>1</u>		
b	Enter your share of the additional 5% tax (not to exceed \$11,750) \$ <u>1</u>		
3	Income tax (See instructions to figure the tax). Check this box if the corporation is a qualified personal service corporation (see instructions) <input type="checkbox"/>	3	980
4a	Foreign tax credit (attach Form 1118)	4a	
b	Possessions tax credit (attach Form 5735)	4b	
c	Orphan drug credit (attach Form 6765)	4c	
d	Credit for fuel produced from a nonconventional source (see instructions)	4d	
e	General business credit. Enter here and check which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 3468 <input type="checkbox"/> Form 5884 <input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 6765 <input type="checkbox"/> Form 8586	4e	
f	Credit for prior year minimum tax (attach Form 8801)	4f	
5	Total—Add lines 4a through 4f	5	980
6	Line 3 less line 5	6	
7	Personal holding company tax (attach Schedule PH (Form 1120))	7	
8	Recapture taxes. Check if from <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611	8	
9a	Alternative minimum tax (see instructions—attach Form 4626)	9a	
b	Environmental tax (see instructions—attach Form 4626)	9b	
10	Total tax—Add lines 6 through 9b. Enter here and on line 31, page 1	10	980

Additional Information (See instruction F.)

	Yes	No
H Refer to the list in the instructions and state the principal:		
(1) Business activity code no. <u>3698</u>		
(2) Business activity <u>Manufacturing</u>		
(3) Product or service <u>(meters) electrical</u>		
I (1) Did the corporation at the end of the tax year own, directly or indirectly 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)	X	X
If "Yes," attach a schedule showing (a) name, address, and identifying number; (b) percentage owned; and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.		
(2) Did any individual, partnership, corporation, estate, or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (c)	X	X
(a) Attach a schedule showing name, address, and identifying number.		
(b) Enter percentage owned <u>50% each</u>		
(c) Was the owner of such voting stock a person other than a U.S. person? (See instructions.) Note: If "Yes," the corporation may have to file Form 5472.	X	X
If "Yes," enter owner's country <u></u>		
J Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.)	X	X
If "Yes," attach Form 5471 for each such corporation.		
K At any time during the tax year, did the corporation 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)?	X	X
(See instruction F and filing requirements for form TD F 9022.1.) If "Yes," enter name of foreign country <u></u>		
L Was the corporation the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not the corporation has any beneficial interest in it?	X	X
If "Yes," the corporation may have to file Forms 3520, 3520-A, or 926.		
M During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)	X	X
If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.		
N During this tax year did the corporation maintain any part of its accounting, tax records on a computerized system?	X	X
O Check method of accounting: (1) <input type="checkbox"/> Cash (2) <input checked="" type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) <u></u>		
P Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/>		
If so, the corporation may have to file Form 8281.		
Q Enter the amount of tax-exempt interest received or accrued during the tax year <u>1</u>		
R Enter the number of shareholders at the end of the tax year if there were 35 or fewer shareholders <u>2</u>		

Schedule A Cost of Goods Sold and/or Operations (See instructions for line 2, page 1.)

1	Inventory at beginning of year	1	61,556
2	Purchases	2	183,435
3	Cost of labor	3	11,541
4a	Additional section 263A costs (see instructions—attach schedule)	4a	
4b	Other costs (attach schedule)	4b	4,182
5	Total—Add lines 1 through 4b	5	366,497
6	Inventory at end of year	6	49,756
7	Cost of goods sold and/or operations—Line 5 less line 6. Enter here and on line 2, page 1.	7	267,241

8a Check all methods used for valuing closing inventory:

(i) ☒ Cost (ii) ☐ Lower of cost or market as described in Regulations section 1.471-4 (see instructions)

(iii) ☐ Writedown of "subnormal" goods as described in Regulations section 1.471-2(c) (see instructions)

(iv) ☐ Other (Specify method used and attach explanation) _____

b Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐

c If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO ☐ 8c ☐

d Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the corporation? ☐ Yes ☐ No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No

Schedule C Dividends and Special Deductions (See Schedule C instructions.)

(a) Dividends received (b) (c) Special deductions: multiply (a) × (b)

1	Dividends from less than 20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations (section 246A)	See instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	41.176	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	47.059	
6	Dividends from less than 20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction	80	
8	Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))	100	
9	Total—Add lines 1 through 8. See instructions for limitation		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1))	100	
12	Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))	100	
13	Other dividends from foreign corporations not included in lines 3, 6, 7, 8, and 11		
14	Income from controlled foreign corporations under subpart F (attach Forms 5471)		
15	Foreign dividend gross-up (section 78)		
16	IC-DISC and former DISC dividends not included in lines 1, 2, and/or 3 (section 246(d))		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities (see instructions)		
19	Total dividends—Add lines 1 through 17. Enter here and on line 4, page 1.		
20	Total deductions—Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1.		

Schedule E Compensation of Officers (See instructions for line 12, page 1.)

Complete Schedule E only if total receipts (line 1a, plus lines 4 through 10, of page 1, Form 1120) are \$150,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	(d) Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2	Total compensation of officers				
3	Less: Compensation of officers claimed in Schedule A and elsewhere on return				()
4	Compensation of officers deducted on line 12, page 1				

1120

U.S. Corporation Income Tax Return

OMB No. 1545-0047

1988

Department of the Treasury,
Internal Revenue Service

For calendar year 1988 or tax year beginning 1988, ending 1988

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Check if a— A Consolidated return <input type="checkbox"/> B Personal holding co. <input type="checkbox"/> C Personal service corp. (as defined in Temp. Regs. sec. 1.441-41—see instructions) <input type="checkbox"/>	Use IRS label. Otherwise, please print or type. Name UNITED METERING SERVICES, INC. Number and street (or P.O. box number if mail is not delivered to street address) P. O. BOX 1759 City or town, state, and ZIP code GLOUCESTER, VA 23061	D Employer identification number 54-1406945 E Date incorporated 4/10/85 F Total assets (See Specific instructions) Dollars \$ 230 882
--	--	--

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change in address

Income	1a Gross receipts or sales	b Less returns and allowances	c Bal	1c	464 787
	2 Cost of goods sold and/or operations (Schedule A)			2	267 241
	3 Gross profit (line 1a less line 2)			3	197 546
	4 Dividends (Schedule C, line 19)			4	
	5 Interest			5	
	6 Gross rents			6	
	7 Gross royalties			7	
	8 Capital gain net income (attach separate Schedule D)			8	
	9 Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)			9	
	10 Other income (see instructions—attach schedule)			10	3 260
	11 Total income—Add lines 3 through 10 and enter here			11	200 815
Deductions (See instructions for limitations on deductions)	12 Compensation of officers (Schedule E)			12	
	13a Salaries and wages	b Less jobs credit	c Balance	13c	
	14 Repairs			14	
	15 Bad debts			15	
	16 Rents			16	7 250
	17 Taxes			17	11 290
	18 Interest			18	4 340
	19 Contributions (see instructions for 10% limitation)			19	
	20 Depreciation (attach Form 4562)	20	1 167		
	21 Less depreciation claimed in Schedule A and elsewhere on return	21a		21b	1 167
	22 Depletion			22	
	23 Advertising			23	
	24 Pension, profit-sharing, etc., plans			24	
	25 Employee benefit programs			25	
	26 Other deductions (attach schedule)			26	170 173
	27 Total deductions—Add lines 12 through 26 and enter here			27	194 244
	28 Taxable income before net operating loss deduction and special deductions (line 11 less line 27)			28	6 571
29 Less: a Net operating loss deduction (see instructions)	29a		29c		
	b Special deductions (Schedule C, line 20)	29b			
30 Taxable income (line 28 less line 29c)			30	6 531	
31 Total tax (Schedule J)			31	980	
Tax and Payments	32 Payments: a 1987 overpayment credited to 1988	32a			
	b 1988 estimated tax payments	32b	1 000		
	c Less 1988 refund applied for on Form 4466	32c	()	d Bal	32d
	e Tax deposited with Form 7004			32e	
	f Credit from regulated investment companies (attach Form 2439)			32f	
	g Credit for Federal tax on fuels (attach Form 4136)			32g	
				32h	1 000
	33 Enter any penalty for underpayment of estimated tax—check <input type="checkbox"/> if Form 2220 is attached			33	
	34 Tax due—If the total of lines 31 and 33 is larger than line 32h, enter amount owed			34	
	35 Overpayment—If line 32h is larger than the total of lines 31 and 33, enter amount overpaid			35	20
36 Enter amount of line 35 you want: Credited to 1989 estimated tax			36	20	

Please Sign Here

(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. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.)

Signature of officer

Date

Title

Preparer's

Date

Check if self-employed ☐

Preparer's social security number

224 38 7250

PLAINTIFF'S EXHIBIT

J.W. Eaton Financial Services
3108 Tyre Neck Road,
Portsmouth, VAE.I. No. 54 1380821
ZIP code 23703

940

Step 4. Enter the amount on Line 3,
Col. (1) in Cols. (1) and (4), but
not more than the amount on
Line 3, Col. (4).¹

Treat the amount entered on Line 4, Col. (4) as a capital gain.

Step 5. Subtract the amounts on Line 4
from the amounts on Line 3 (in
Cols. (1) and (4))—but not less
than zero.

Step 6. Enter the amount on Line 1,
Col. (3) in Cols. (3) and (4), but
not more than the amount on
Line 5, Col. (4).¹

Treat the amount on Line 6, Col. (4) as a dividend.

Step 7. Subtract the amounts on Line 6,
Col. (3) from Line 1, Col. (3), but
not less than zero; and
Subtract the amount on Line 6,
Col. (4) from Line 5, Col. (4),
but not less than zero.

Step 8. Enter the amount on Line 3,
Col. (2) in Cols. (2) and (4), but
not more than the amount on
Line 7, Col. (4).

Treat the amount on Line 8, Col. (4) as a tax-free return of basis.

Step 9. Subtract the amount on Line 8,
Col. (2), Line 3, Col. (2), and
Line 8, Col. (4) from Line 7, Col.
(4), but not less than zero.

Step 10. Enter the amount on Line 9,
Col. (4) in Col. (4).

*Treat the amount on Line 10, Col. (4) as a capital gain (unless the corporation is a col-
lapsible corporation).*

1. With the consent of all the shareholders who received a distribution from the S corporation during the corpo-
ration's taxable year, the corporation may elect to avoid applying the accumulated adjustments account to any part
of the distribution. Thus, the order of distribution set forth in this practice aid would be changed and the distribu-
tion would be charged first to E&P, creating a taxable dividend. (Section 1368(e)(3)) A corporation might make this
election to clean out the E&P account and no longer be subject to the limitations imposed by the passive invest-

875.2 Distributions to Shareholders—S Corporation With Accumulated E&P

Client Name: E. T. Rob Develly Client Number: _____
Prepared By: _____ Date Completed/Hours: _____
Reviewed By: _____ Date Completed/Hours: _____

This practice aid is used to determine the tax treatment of an S corporation shareholder if the corporation has accumulated E&P (Section 1368(c)). If the corporation has no accumulated E&P, use the practice aid at 875.1. (For taxable years beginning after 1982, an S corporation does not have any E&P. But it may have accumulated E&P from pre-1983 years in which it was an S corporation, from any pre-S corporation years in which it was a C (regular) corporation, or as a result of a tax-free reorganization where E&P was acquired from another corporation that was a party to the reorganization.) Related analysis appears at 815.

A separate practice aid is required for each shareholder.

	Done	Not Done	N/A	Comments or Explanation
Calculate the tax on an S corporation distribution to its shareholders when the corporation has accumulated E&P by following the Steps below:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

	(1) Shareholder's portion of accumulated adjustments account	(2) Shareholder's basis	(3) Shareholder's portion of earnings and profits	(4) Amount of distribution
--	---	-------------------------------	--	----------------------------------

Step 1. Enter the amounts applicable to each column.

\$ _____	\$ _____	\$ <u>12,926.70</u>	\$ _____
----------	----------	---------------------	----------

Step 2. Enter in Cols. (1), (2), and (4) the lesser of Line 1, Col. (1) or Col. (2), but not more than the amount on Line 1, Col. (4).¹

_____	_____	_____	_____
-------	-------	-------	-------

Treat the amount entered on Line 2, Col. (4) as a tax-free return of basis.

Step 3. Subtract the amounts on Line 2 from the amounts on Line 1 (in Cols. (1), (2), and (4))—but not less than zero.

_____	_____	_____	_____
-------	-------	-------	-------

(continued on next page)

Fee Technology, Ltd.
 Federal Income Tax Return for 1980

Page 1

		This Year	Last Year
		-----	-----
Line # 1 - Line # 1 :			
301 R Sales		1,223,915.52	0.00
Line Total		1,223,915.52 ✓	0.00
		=====	=====
Line # 1 - Line # 12 :			
311 E Miscellaneous Income		1,702.53	0.00
315 E Rental Income		4,157.84	0.00
323 E Other Income (Expense)		17,423.14	0.00
Line Total		13,283.51	0.00
		=====	=====
Line # 1 - Line # 13 :			
371 E Management Fee		188,500.00	0.00
390 E Officers' Salaries		142,555.32	0.00
393 E Directors' Fees		20,000.00	0.00
Line Total		351,055.32 ✓	0.00
		=====	=====
Line # 1 - Line # 14 :			
501 E Bad debts		7,321.85	0.00
Line Total		7,321.85 ✓	0.00
		=====	=====
Line # 1 - Line # 15 :			
584 E Pents		13,607.00	0.00
Line Total		13,607.00 ✓	0.00
		=====	=====
Line # 1 - Line # 17 :			
590 E FICA Expense		17,621.60	0.00
592 E Fed. Unemployment Ins.		1,529.70	0.00
595 E State Corp. Income Tax		619.20	0.00
599 E Other Taxes		602.53	0.00
591 E State Unemployment Tax		4,683.04	0.00
Line Total		25,256.15 ✓	0.00
		=====	=====
Line # 1 - Line # 18 :			
590 E Interest Expense		4,029.19	0.00
Line Total		4,029.19 ✓	0.00
		=====	=====
Line # 1 - Line # 20 :			

08/87

See Technology Ltd
Federal Income Tax Exempting the Payroll

Page 2

			This Year	Last Year
			-----	-----
552	E	Amortization Expense	1,167.00	0.00
514	E	Depreciation	39,503.50	0.00
		Line Total	40,670.50	0.00
			=====	=====
Page # 1	-	Line # 13 :		
508	E	Advertising	5,165.56	0.00
		Line Total	5,165.56	0.00
			=====	=====
Page # 1	-	Line # 12 :		
516	E	News and Subscriptions	400.00	0.00
517	E	Telephone	11,173.27	0.00
572	E	Miscellaneous Expenses	5,513.96	0.00
518	E	Auto Expense	6,327.50	0.00
510	E	Commissions	9,597.75	0.00
588	E	Licenses and Fees	77.00	0.00
599	E	Utilities	1,646.15	0.00
599	E	Fuel	1,341.21	0.00
567	E	Treen Removal	309.30	0.00
569	E	Stationery Office Supplies	1,040.57	0.00
574	E	Computer Services	100.00	0.00
589	E	Postage	23.00	0.00
549	E	Bank Charges	143.73	0.00
554	E	Trade Show Expenses	24,571.72	0.00
570	E	Maintenance and Repairs	1,273.64	0.00
598	E	Professional Fees	3,605.76	0.00
558	E	Equipment Rental	8,378.62	0.00
501	E	Auto Expenses	427.21	0.00
598	E	Travel	14,271.87	0.00
562	E	Insurance	25,804.55	0.00
554	E	Dues and Subscriptions	1,291.70	0.00
		Line Total	124,211.13	0.00
			=====	=====
Page # 2	-	Line # 2 :		
402	E	Materials	418,249.46	0.00
		Line Total	418,249.46	0.00
			=====	=====
Page # 2	-	Line # 3 :		
410	E	Direct Labor	212,589.53	0.00
412	E	Contract Labor	5,056.87	0.00
		Line Total	218,586.40	0.00
			=====	=====
Page # 2	-	Line # 4 :		

See Technology Log

Federal Income Tax Determined by Auditor

Page 3

		This Year	Last Year
		-----	-----
403	E Small Tools	1,535.72	0.00
403	E Freight and Duty	36,510.57	0.00
408	E Packing Materials	563.78	0.00
	Line Total	38,610.07	0.00
		=====	=====
Page # 4 - Line # 1 :			
134	D Cash in Bank - United Wa.	3,568.67	0.00
	Line Total	3,568.67	0.00
		=====	=====
Page # 4 - Line # 2 :			
120	D Accounts Receivable - Trade	132,626.32	0.00
	Line Total	132,626.32	0.00
		=====	=====
Page # 4 - Line # 3.1 :			
121	L Allowance for Bad Debts	7,931.95	0.00
	Line Total	7,931.95	0.00
		=====	=====
Page # 4 - Line # 4 :			
120	D Inventory	149,155.78	0.00
	Line Total	149,155.78	0.00
		=====	=====
Page # 4 - Line # 5 :			
143	D Prepaid Insurance	8,604.55	0.00
125	D Federal Tax Refund Due	3,450.00	0.00
144	D Prepaid Expenses-Misc.	6,768.13	0.00
141	D Prepaid Advertising	1,008.62	0.00
126	D State Tax Refund Due	1,415.80	0.00
	Line Total	21,247.10	0.00
		=====	=====
Page # 4 - Line # 6 :			
151	D Furniture & Fixtures	14,213.30	0.00
153	D Display Equipment	4,964.50	0.00
157	D Leasehold Improvements	54,673.19	0.00
155	D Equipment	100,330.63	0.00
	Line Total	174,081.62	0.00
		=====	=====
Page # 4 - Line # 9.1 :			
167	L Acc. Depr. - Leasehold Impr.	3,991.00	0.00

108167

See Technology Ltd
Federal Income Tax Generating by Account

Page 4

			This Year	Last Year
			-----	-----
161	L	Acc. Depr. - Furn. & Fixtures	7,087.96	0.00
165	L	Acc. Depr. - Equipment	32,034.59	0.00
163	L	Acc. Depr. - Display Equip.	4,664.50	0.00
Line Total			47,798.05 ✓	0.00
			=====	=====
Page # 4	-	Line # 13 :		
183	A	Patents - Net	4,669.20	0.00
Line Total			4,669.20 ✓	0.00
			=====	=====
Page # 4	-	Line # 15 :		
204	L	Accounts Payable - Trade	115,775.01	0.00
Line Total			115,775.01 ✓	0.00
			=====	=====
Page # 4	-	Line # 16 :		
202	L	Notes Payable - Current	22,703.07	0.00
Line Total			22,703.07 ✓	0.00
			=====	=====
Page # 4	-	Line # 17 :		
208	L	Other W/H Payable	501.65	0.00
215	L	Federal & FICA W/H Payable	1,837.17	0.00
213	L	State W/H Payable	199.79	0.00
Line Total			2,538.61 ✓	0.00
			=====	=====
Page # 4	-	Line # 18 :		
245	L	Notes Payable - Shareholder	60,000.00	0.00
Line Total			60,000.00 ✓	0.00
			=====	=====
Page # 4	-	Line # 19 :		
240	L	Notes Payable - Long Term	200,000.00	0.00
Line Total			200,000.00 ✓	0.00
			=====	=====
Page # 4	-	Line # 21.1 :		
270	L	Capital Stock	3,000.00	0.00
Line Total			3,000.00 ✓	0.00
			=====	=====
Page # 4	-	Line # 24 :		

0 06/87

Sea Technology Ltd
Federal Income Tax Showing by Account

Page 5

	This Year	Last Year
	-----	-----
280 L Retained Earnings - Beg.	26,815.78	0.00
	-----	-----
Line Total	26,815.78	0.00
	=====	=====
Page # 4 - Line # 20 :		
281 E Penalties	217.48	0.00
	-----	-----
Line Total	217.48	0.00
	=====	=====

FORM 500-S

Department of Taxation
Box 1500
Richmond, Va. 23212-1500

Virginia Small Business Corporation Return of Income

1987

For calendar year 1987 or taxable year beginning 9/1, 1987 and ending 8/31, 1988

Check # — Final return by withdrawal or dissolution <input type="checkbox"/>	Name SEA TECHNOLOGY LTD	Official use only
	Number and Street P.O. BOX 708	
	City or town, state, and ZIP Code GLOUCESTER, VA 23061	
Federal Business Code No. 3225	Date incorporated 9/27/84 Place incorporated Virginia Principal business activity Manufacturing	Federal Employer Identification Number 54-1297675

IMPORTANT: ATTACH A COPY OF YOUR FEDERAL RETURN TO THIS RETURN

PART I—Virginia Additions and Subtractions To Federal Income of Shareholders

SHAREHOLDERS	1 Name and Address	No. of Shares	2 Additions From Schedule A Line 4	3 Subtractions From Schedule B Line 8	4 Net Adjustments Difference Between Columns 2 and 3
A	McClanahan Ingles P.O. Box 708 Gloucester, VA 23061	50	-0-	3,800	<3,800>
B	Robert C Dively 105 William Allen Williamsburg, VA 23185	50	-0-	3,800	<3,800>
C					
D					
E					
	TOTALS		-0-	7,600	<7,600>

Mail this return to the Department of Taxation, P.O. Box 1500, Richmond, Virginia 23212-1500, on or before the fifteenth day of the fourth month following the close of the taxable year.

DECLARATION

I, the undersigned president, vice-president, treasurer, assistant treasurer, chief accounting officer, or other officer duly authorized to act, of the corporation for which this return is made, declare under the penalties provided by law that this return (including any accompanying schedules and statements) has been examined by me and is, to the best of my knowledge and belief, a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the income tax laws of the Commonwealth of Virginia. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

(Date) 1/25/89 (Signature of officer) J. W. EATON, CPA
2108 Tyme Black Rd
(Individual or firm, signature of preparer) Portsmouth, VA 23703
804-483-6151 (Address)



SCHEDULE A—Additions To Federal Taxable Income

	TOTAL AMOUNT	SHAREHOLDERS' SHARE				
		A	B	C	D	E
1 Interest on state obligations other than Virginia						
2 ACRS adjustment (from Part I, Form 302)						
3 Other (see instructions)						
4 Total additions 1 through 3						

SCHEDULE B—Subtractions From Federal Taxable Income

	TOTAL AMOUNT	SHAREHOLDERS' SHARE				
		A	B	C	D	E
5 Interest or dividends on obligations of the United States (see instructions)						
6 ACRS adjustment (from Part II, Line 2, Form 302)	7,600	3,800	3,800			
7 Other (see instructions)						
8 Total subtractions 5 through 8	7,600	3,800	3,800			

SCHEDULE C—Distributable Income Eligible For Urban Enterprise Zone Tax Credit

	TOTAL AMOUNT	SHAREHOLDERS' SHARE				
		A	B	C	D	E
9 Shareholder's share of income eligible for the Urban Enterprise Zone tax credit						

SCHEDULE D—Credits To Tax

	TOTAL AMOUNT	SHAREHOLDERS' SHARE				
		A	B	C	D	E
10 Neighborhood Assistance Act						

QUESTIONS

The corporation's books are in care of The Corporation located at Gloucester, VA

Has your federal income tax liability been redetermined for any prior year(s) which has not previously been reported to the Department of Taxation? Yes No X . If "yes," state years Report changes under separate cover and mail to Department of Taxation, P. Box 6-L, Richmond, Virginia 23282.

Sia Technology Ltd
W-3 Worksheet
12-31-89

54-1297675

	9	10	11	13
	Final W/H	Wagon	Final W/H	SS Wagon
Original Run	21633 ⁰⁰	205616 ⁵⁶	15451 ²³	205616 ⁵⁶
Books Orig.	<36847 ⁸ >	<27068 ⁸⁰ >	<20329 ⁷ >	<27068 ⁸⁰ >
Books Revised	35779 ⁷⁸	29462 ⁸⁰	222 ⁷⁵	29462 ⁸⁰
Dual	8933 ⁷⁶	56250 ⁰⁰	3604 ⁸⁴	48000 ⁰⁰
	305162 ¹⁶	264790 ⁵⁶	19236 ³⁶	256040 ⁵⁶



Payment / Distribution to Affiliates
3/1/85 - 8/31/85

58113/3 - 18113

Date	Payee	CASH	Time	Rate	End with	Left
9/2/88	✓	3214	6250	10865	30135	4162
10/3/88	✓	3286	6250	8982	30135	5048
11/1/88	✓	3346	6250	9926	30135	4955
11/23/88	✓	3400	6250	9926	30135	4955
12/28/88	✓	3497	6250	9926	30135	4955
2/11/89	✓	3602	6250	9926	30135	4955
3/1/89	✓	3663	6250	9926	30135	4955
2/2/89	✓	3666	6250	9926	30135	4955
4/11/89	✓	3786	6250	9926	30135	4955
5/1/89	✓	3805	6250	9926	30135	4955
6/1/89	✓	3926	6250	9926	30135	4955
7/3/89	✓	4008	6250	9926	30135	4955
8/1/89	✓	4078	6250	9926	30135	4955
10/12/88	✓	3310	7605			7605
11/1/88	✓	3312	5060			5060
11/23/88	✓	3401	5060			5060
1/3/89	✓	3513	5060			5060
1/26/89	✓	3580	5060			5060
1/31/89	✓	3600	5060			5060
2/28/89	✓	3651	5060			5060
3/21/89	✓	3667	3000			3000
3/27/89	✓	3754	5060			5060
4/12/89	✓	3789	5060			5060
4/11/89	✓	3927	5060			5060
7/3/89	✓	4007	5060			5060
8/1/89	✓	4077	5060			5060

SEA TECHNOLOGY LTD
Accounts Receivable
August 31, 1989

<u>Invoice Date</u>	<u>Name</u>	<u>Total Amount</u>	<u>Bad Debt Amount</u>
7/28/88	Atlantic Marine Services	741.75	741.75
3/1/88	Bounty Bay	4962.53	4962.53
8/31/89	Capone	59.18	59.18
8/10/89	Central Systems & Controls	49.25	49.25
8/31/89	Central Systems & Controls	17.96	17.96
8/31/89	Charles Point Marina	108.61	108.61
8/10/89	Coil Sales & Manufacturing	540.42	540.42
8/31/89	Colony Marina	1754.87	
8/31/89	Coridian Corp.	363.96	
7/21/89	Darbie Landing	4684.55	
10/26/88	Geneva State Park	874.00	874.00
2/13/89	Guilmar Inc.	3078.73	
6/30/89	Guilmar Inc.	1322.58	
5/22/89	Harbortown Marina	101.48	
8/31/89	Harbortown Marina	18521.64	
7/29/88	Henderson Wharf Marina	7781.21	7781.21
6/30/89	J Hudgin's	31.95	
9/23/88	Hurricane Harbor Marina	481.36	481.36
11/22/88	Lake Monroe Harbor	7356.51	
4/10/89	McRay Harbor (McMachem)	29688.00	5000.00
11/30/88	Marina Power Technology	28174.21	28174.21
5/5/89	Marina Services (Prince William)	34874.00	
6/13/89	Marine Industrial Services	83.00	83.00
5/30/89	Meeco Marinas (Bangor)	17000.00	17000.00
5/30/89	Meeco Marinas (Bangor)	18000.00	18000.00
6/30/89	Meeco Marinas (Bangor)	3238.30	
6/12/89	Meeco Marinas (Bangor)	54500.00	
6/5/89	Meeco Marinas (Bangor)	3464.00	3464.00
7/14/89	Meeco Marinas (Bangor)	4912.45	
5/3/89	Meeco Marinas (Liberty Yacht)	23714.15	
6/20/89	B. McMachan (Sea Ray)	102.90	
3/21/89	Montauk Development	285.21	
5/5/88	One Main Street	1299.00	1299.00
8/31/88	Patriot's Point	6282.40	6282.40
2/28/89	Marina Technology	18924.95	
8/31/89	Salt Pond's (Armada Hoffler)	724.77	
4/17/89	Staten Island Boat Yard	52.65	
5/22/89	Tidewater Yacht Club	125.06	
6/8/89	Tidewater Yacht Club	505.00	
1/25/88	Willoughby Harbor Marina	17199.31	
TOTALS		315981.90	94918.88
	Innovative Technologies Int'l	8016.98	
		323998.88	94918.88



#5578

COMMONWEALTH
PLAINTIFF

DEFENDANT, Exhibit No. 42

Filed in open Court

March 25, 1972
Charles E. Gray, Jr. Clerk
D.L. Judge

PLAINTIFF'S
EXHIBIT

21

972

3339		BAL BROOK FORD	16,552 82
10/31 19			
TO	Jane Hays	DEPOSITS	
FOR	Petty cash		
TOTAL			
THIS CHECK			137 98
BALANCE			
3340			
10/31 19 88			
TO	Mc Clanahan Ingles	DEPOSITS	
FOR	Reimb. for travel exp		
Re Australian & other		TOTAL	
Lago		THIS CHECK	17,136 82
BALANCE			
3341			
11-1 19 88			
TO	Mc Clanahan Ingles	DEPOSITS	
FOR	Adv. 11/17		
TOTAL			
THIS CHECK			5060 00
BALANCE			33,827 62

#5578
 COMMONWEALTH
 PLAINTIFF
 DEFENDANT, Exhibit No. 43
 Filed in open Court
March 25, 1992
Charles E. Long Jr. Clerk
D. J. Judge

2847 BAL BROCK FORD (20,108 24)
 4-27-88
 TO Crestar
 FOR Loan 9071

TOTAL

THIS CHECK

6867 66

BALANCE

2848
 4/27-88
 TO UMS

FOR on acct

TOTAL

THIS CHECK

2,000 -

BALANCE

6624 10

2849
 4-27-88
 TO Wilcox Bait & Tackle

FOR

TOTAL

THIS CHECK

1404 81

BALANCE

146,069 29

973

2848266436

P. 22



ROBIN P. STANAWAY
SHERIFF

GLoucester County Sheriff's Office

P.O. BOX 597
GLoucester, VIRGINIA 23061



OFFICE (804) 693-3890
HOME (804) 642-3444

MEMORANDUM

TO: Mr. William Shaw, Commonwealth's Attorney
FROM: Investigator W. W. Adams
SUBJECT: Sea Technology
DATE: July 5, 1990

Will Colton has interviewed Jane Hogg and Trudy Pal. I asked him what he thought of the interviews. He told me to be very careful in proceeding with this, especially talking with possible hostile witnessess.

Will gave me his personal opinion which I will share with you. In talking with Hogge & Pal, they both told him that Ingles & Dively have been "sucking money" out of the accounts of Sea Technology for a long time. Example, taking trips to Australia for two or three weeks at a time for a suppose boat show. They further beleived that this is not a criminal matter but a civil matter. They state Dively & Ingles have been squabbling for a long time. I think you should determine if Dively's attorney is going to bring these trips up in court. Dively mentioned these trips that Ingles took to me when I arrested him.

I am not trying to say Ingles ^{DOES NOT HAVE} a legitimate argument, but is Ingles being straight with us. I would hate for all this work to be done just to have it end up in civil court. It would be alot of wasted time for both of our offices.

In the conversation I had with Dively at the time of the arrest he stuck with the story that he is a 50/50 stock holder. But if Ingles has documents that prove his ownership then we are in good shape.

William W. Adams

WILLIAM W. ADAMS
Investigator



OFFICE OF THE
COMMONWEALTH'S ATTORNEY
COUNTY OF GLOUCESTER

WILLIAM H. SHAW III
COMMONWEALTH'S ATTORNEY
P. O. BOX 456
GLOUCESTER, VIRGINIA 23061
(804) 693-4995

July 16, 1990

JOY S. LONG
ASST. COMMONWEALTH'S ATTORNEY
P. O. BOX 1069
HAYES, VIRGINIA 23072
(804) 642-6969

Inv. W. W. Adams
Gloucester County Sheriff's Dept.
Gloucester, Virginia 23061

S/A Wil Colton
Virginia State Police
c/o James City County Police Dept.
Williamsburg, VA 23187

Re: Com. v. Dively

Gentlemen:

Both of you have indicated your opinion that the cases are civil rather than criminal. While I, of course, respect and ask for your opinion about strength and credibility of witnesses, assessments of cases, etc., I nevertheless do not want your opinion about the Dively cases to hinder your performance. I expect each of you to pursue the truth of the case vigorously.

Very truly yours,

William H. Shaw III

WHS:klh



WEDNESDAY-MARCH 27th, 1991

CIRCUIT COURT OF THE COUNTY OF GLOUCESTER, VIRGINIA, ON WEDNESDAY, THE 27th DAY OF MARCH, IN THE YEAR OF OUR LORD, NINETEEN HUNDRED AND NINETY-ONE.

PRESENT: THE HONORABLE FRED W. BATEMAN, JUDGE DESIGNATE.

Commonwealth of Virginia

vs. (Felony No. 90-5171 Embezzlement

Dively, Robert C.
105 William Allen
Williamsburg, Virginia

This day came William H. Shaw, III, the Attorney for the Commonwealth, and Robert C. Dively, age 57, born: 4/6/33, who stands indicted for a felony, to-wit: "Between March 10, 1989, and May 20, 1989, in the County of Gloucester, Virginia, Robert C. Dively did unlawfully and feloniously embezzle funds from Sea Technology, Ltd., a Virginia corporation, in excess of \$200.00 (Poole's Grant). Va. Code: 18.2-111", appeared according to the condition of his recognizance, and came also William D. Bayless, Michael E. Harman, and Dana McDaniel, his attorneys.

Whereupon, the Attorney for the Commonwealth moved the Court to amend the indictment in this case, which motion, after argument of counsel, was objected to by counsel for the defendant and overruled by the Court.

Whereupon, the accused was arraigned and after private consultation with and being advised by his counsel, pleaded NOT GUILTY to the indictment, which plea was tendered by the accused in person. Thereupon, after having been first advised by his attorneys and by the court of his right to trial by jury, the accused knowingly and voluntarily waived trial by jury, and with the concurrence of the Attorney for the Commonwealth and of the Court, here entered of record, the Court proceeded to hear and determine the case without the intervention of a jury, as provided by law, and the Commonwealth's evidence having been presented in part, the Court then adjourned until March 28, 1991, at 9:00 o'clock a.m.

The Court certifies that at all times during the trial of this case, the defendant was personally present and his attorneys were likewise personally present and capably represented the defendant. The Court further certifies that a Court Reporter was also present during the trial of this case.

And the defendant is allowed to remain on bond until further order of this Court.

3-28-91
Fred W. Bateman
J. B. Bateman



VIRGINIA:

BOOK 41 PAGE 13

IN THE CIRCUIT COURT OF THE COUNTY OF GLOUCESTER, ON WEDNESDAY, THE 27TH DAY OF MARCH, 1991.

PRESENT: THE HONORABLE FRED W. BATEMAN, JUDGE DESIGNATE.

Commonwealth of Virginia

vs. (Felony No. 90-5172 Embezzlement

Dively, Robert C.
105 William Allen
Williamsburg, Virginia

This day came William H. Shaw, III, the Attorney for the Commonwealth, and Robert C. Dively, age 57, born: 4/6/33, who stands indicted for a felony, to-wit: "Between January 18, 1990 and March 15, 1990, in the County of Gloucester, Virginia, Robert C. Dively did unlawfully and feloniously embezzle funds from Sea Technology, Ltd., a Virginia corporation, in excess of \$200.00 (Dock of the Bay). Va. Code: 18.2-111", appeared according to the condition of his recognizance, and came also William D. Bayless, Michael E. Harman, and Dana McDaniel, his attorneys.

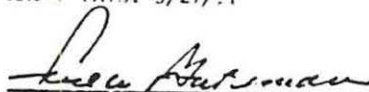
Whereupon, the Attorney for the Commonwealth moved the Court to amend the indictment in this case, which motion, after argument of counsel, was objected to by counsel for the defendant and overruled by the Court.

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The Court certifies that at all times during the trial of this case, the defendant was personally present and his attorneys were likewise personally present and capably represented the defendant. The Court further certifies that a Court Reporter was also present during the trial of this case.

And the defendant is allowed to remain on bond until further order of this Court.

Enter this: 3/27/91


Judge Designate

977

VIRGINIA:

BOOK 41 PAGE 14

IN THE CIRCUIT COURT OF THE COUNTY OF GLOUCESTER, ON WEDNESDAY, THE 27TH DAY OF MARCH, 1991.

PRESENT: THE HONORABLE FRED W. BATEMAN, JUDGE DESIGNATE.

Commonwealth of Virginia

vs. (Felony No. 90-5175 Embezzlement

Dively, Robert C.
105 William Allen
Williamsburg, Virginia

This day came William H. Shaw, III, the Attorney for the Commonwealth, and Robert C. Dively, age 57, born: 4/6/33, who stands indicted for a felony, to-wit: "On or about February 20, 1990, in the County of Gloucester, Virginia, Robert C. Dively did unlawfully and feloniously embezzle funds from Sea Technology, Ltd., a Virginia corporation, in excess of \$200.00 (Shark Island), Va.Code: 18.2-111", appeared according to the condition of his recognizance, and came also William D. Bayliss, Michael E. Harman, and Dana McDaniel, his attorneys.

Whereupon, the Attorney for the Commonwealth moved the Court to amend the indictment in this case, which motion, after argument of counsel, was objected to by counsel for the defendant and overruled by the Court.

Whereupon, the accused was arraigned and after private consultation with and being advised by his counsel, pleaded NOT GUILTY to the indictment, which plea was tendered by the accused in person. Thereupon, after having been first advised by his attorneys and by the court of his right to trial by jury, the accused knowingly and voluntarily waived trial by jury, and with the concurrence of the Attorney for the Commonwealth and of the Court, here entered of record, the Court proceeded to hear and determine the case without the intervention of a jury, as provided by law, and the Commonwealth's evidence having been presented in part, the Court then adjourned until March 28, 1991, at 9:00 o'clock a.m.

The Court certifies that at all times during the trial of this case, the defendant was personally present and his attorneys were likewise personally present and capably represented the defendant. The Court further certifies that a Court Reporter was also present during the trial of this case.

And the defendant is allowed to remain on bond until further order of this Court.

Enter this: 3/27/91


Judge Designate

VIRGINIA:

BOOK 41 PAGE 15

IN THE CIRCUIT COURT OF THE COUNTY OF GLOUCESTER, ON WEDNESDAY, THE 27TH DAY OF MARCH, 1991.

PRESENT: THE HONORABLE FRED W. BATEMAN, JUDGE DESIGNATE.

Commonwealth of Virginia

vs. (Felony No. 90-5423 Embezzlement

Dively, Robert C.
105 William Allen
Williamsburg, Virginia

This day came William H. Shaw, III, the Attorney for the Commonwealth, and Robert C. Dively, age 57, born: 4/6/33, who stands indicted for a felony, to-wit: "On or about March 1990, in the County of Gloucester, Virginia, Robert C. Dively did unlawfully and feloniously embezzle funds from Sea Technology, Ltd., a Virginia corporation, in excess of \$200.00 (Pelican Harbor), Va.Code: 18.2-111", appeared according to the condition of his recognizance, and came also William D. Bayliss, Michael E. Harman, and Dana McDaniel, his attorneys.

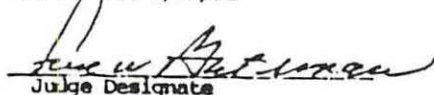
Whereupon, the Attorney for the Commonwealth moved the Court to amend the indictment in this case, which motion, after argument of counsel, was objected to by counsel for the defendant and overruled by the Court.

Whereupon, the accused was arraigned and after private consultation with and being advised by his counsel, pleaded NOT GUILTY to the indictment, which plea was tendered by the accused in person. Thereupon, after having been first advised by his attorneys and by the court of his right to trial by jury, the accused knowingly and voluntarily waived trial by jury, and with the concurrence of the Attorney for the Commonwealth and of the Court, here entered of record, the Court proceeded to hear and determine the case without the intervention of a jury, as provided by law, and the Commonwealth's evidence having been presented in part, the Court then adjourned until March 28, 1991, at 9:00 o'clock a.m.

The Court certifies that at all times during the trial of this case, the defendant was personally present and his attorneys were likewise personally present and capably represented the defendant. The Court further certifies that a Court Reporter was also present during the trial of this case.

And the defendant is allowed to remain on bond until further order of this Court.

Enter this: 3/27/91


Judge Designate

THURSDAY - MARCH 28, 1991

CIRCUIT COURT OF THE COUNTY OF GLOUCESTER, VIRGINIA, ON THURSDAY, THE 28th DAY OF MARCH, IN THE YEAR OF OUR LORD, NINETEEN HUNDRED AND NINETY-ONE.

PRESENT: THE HONORABLE FRED W. BATTMAN, JUDGE DESIGNATE.

Commonwealth of Virginia

vs. (Felony No. 90-5171 Embezzlement

Dively, Robert C.
105 William Allen
Williamsburg, Virginia

This day came again William H. Shaw, III, the Attorney for the Commonwealth, and Robert C. Dively, the defendant herein, and came also William D. Bayliss, Michael E. Harman, and Dana McDaniel, his attorneys, pursuant to an order of adjournment of this Court on March 27, 1991.

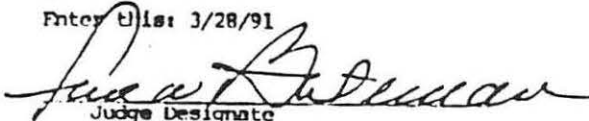
Whereupon, the Court heard the evidence presented by the Commonwealth, and at the conclusion of the Commonwealth's evidence, counsel for the defendant moved the Court to strike the Commonwealth's evidence for reasons stated in the record, which motion, after argument of counsel, was overruled.

The Court then adjourned until March 29, 1991, at 9:00 o'clock a.m.

The Court certifies that at all times during the trial of this case, the defendant was personally present and his attorneys were likewise personally present and capably represented the defendant. The Court further certifies that a Court Reporter was also present during the trial of this case.

And the defendant is allowed to remain on bond until further order of this Court.

Enter this: 3/28/91


Judge Designate

VIRGINIA:

BOOK 41 PAGE 17

IN THE CIRCUIT COURT OF THE COUNTY OF GLOUCESTER, ON THURSDAY, THE 28TH DAY OF MARCH, 1991.

PRESENT: THE HONORABLE FRED W. BATEMAN, JUDGE DESIGNATE.

Commonwealth of Virginia

vs. (Felony No. 90-5172 Embezzlement 7/27/90)

Dively, Robert C.
105 William Allen
Williamsburg, Virginia

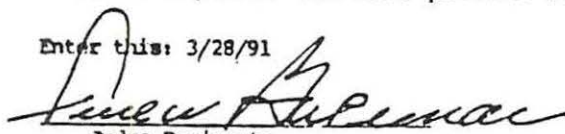
This day came again William H. Shaw, III, the Attorney for the Commonwealth, and Robert C. Dively, the defendant herein, and came also William D. Bayliss, Michael E. Harman, and Dana McDaniel, his attorneys, pursuant to an order of adjournment of this Court on March 27, 1991.

Whereupon, the Court heard the evidence presented by the Commonwealth, and at the conclusion of the Commonwealth's evidence, counsel for the defendant moved the Court to strike the Commonwealth's evidence for reasons stated in the record, which motion, after argument of counsel, was sustained.

Whereupon, it is Adjudged and ordered that this case be dismissed and removed from the docket of this Court.

The Court certifies that at all times during the trial of this case, the defendant was personally present and his attorneys were likewise personally present and capably represented the defendant. The Court further certifies that a Court Reporter was also present during the trial of this case.

Enter this: 3/28/91


Judge Designate

VIRGINIA:

BOOK 41 PAGE 18

IN THE CIRCUIT COURT OF THE COUNTY OF GLOUCESTER, ON THURSDAY, THE 28TH DAY OF MARCH, 1991.

PRESENT: THE HONORABLE FRED W. BATEMAN, JUDGE DESIGNATE.

Commonwealth of Virginia

vs. (Felony No. 90-5175 Embezzlement

Dively, Robert C.
105 William Allen
Williamsburg, Virginia

This day came again William H. Shaw, III, the Attorney for the Commonwealth, and Robert C. Dively, the defendant herein, and came also William D. Bayless, Michael E. Harman, and Dana McDaniel, his attorneys, pursuant to an order of adjournment of this Court on March 27, 1991.

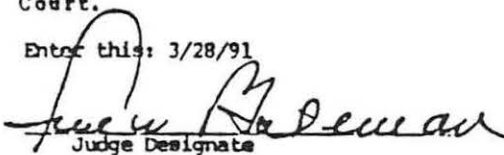
Whereupon, the Court heard the evidence presented by the Commonwealth, and at the conclusion of the Commonwealth's evidence, counsel for the defendant moved the Court to strike the Commonwealth's evidence for reasons stated in the record, which motion, after argument of counsel, was taken under advisement.

The Court then adjourned until March 29, 1991, at 9:00 o'clock a.m.

The Court certifies that at all times during the trial of this case, the defendant was personally present and his attorneys were likewise personally present and capably represented the defendant. The Court further certifies that a Court Reporter was also present during the trial of this case.

And the defendant is allowed to remain on bond until further order of this Court.

Enter this: 3/28/91


Judge Designate

VIRGINIA:

BOOK 41 PAGE 19

IN THE CIRCUIT COURT OF THE COUNTY OF GLOUCESTER, ON THURSDAY, THE 28TH DAY OF MARCH, 1991.

PRESENT: THE HONORABLE FRED W. BATEMAN, JUDGE DESIGNATE.

Commonwealth of Virginia

vs. (Felony No. 90-5423 Embezzlement 7/27/90

Dively, Robert C.
105 William Allen
Williamsburg, Virginia

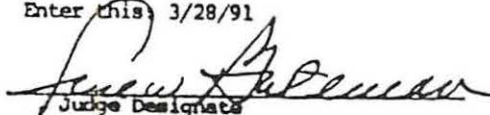
This day came again William H. Shaw, III, the Attorney for the Commonwealth, and Robert C. Dively, the defendant herein, and came also William D. Bayliss, Michael E. Harman, and Dana McDaniel, his attorneys, pursuant to an order of adjournment of this Court on March 27, 1991.

Whereupon, the Court heard the evidence presented by the Commonwealth, and at the conclusion of the Commonwealth's evidence, counsel for the defendant moved the Court to strike the Commonwealth's evidence for reasons stated in the record, which motion, after argument of counsel, was sustained.

Whereupon, it is Adjudged and ordered that this case be dismissed and removed from the docket of this Court.

The Court certifies that at all times during the trial of this case, the defendant was personally present and his attorneys were likewise personally present and capably represented the defendant. The Court further certifies that a Court Reporter was also present during the trial of this case.

Enter this 3/28/91


Judge Designate

CIRCUIT COURT OF THE COUNTY OF GLOUCESTER, VIRGINIA, ON FRIDAY, THE 29th DAY OF MARCH, IN THE YEAR OF OUR LORD, NINETEEN HUNDRED AND NINETY-ONE.

PRESENT: THE HONORABLE FRED W. BATEMAN, JUDGE DESIGNATE.

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Commonwealth of Virginia .

vs. (Felony No. 90-5171 Embezzlement

Dively, Robert C.
105 William Allen
Williamsburg, Virginia

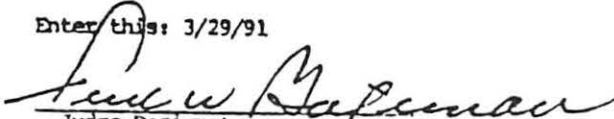
This day came again William H. Shaw, III, the Attorney for the Commonwealth, and Robert C. Dively, the defendant herein, and came also William D. Bayliss, Michael E. Harman, and Dana McDaniel, his attorneys, pursuant to an order of adjournment of this Court on March 28, 1991.

Whereupon, the Court, on a motion for reconsideration, heard further argument on a motion to strike the Commonwealth's evidence, which motion, the Court sustained.

Whereupon, it is Adjudged and ordered that this case be dismissed and removed from the docket of this Court.

The Court certifies that at all times during the trial of this case, the defendant was personally present and his attorneys were likewise personally present and capably represented the defendant. The Court further certifies that a Court Reporter was also present during the trial of this case.

Enter this: 3/29/91


Judge Designate

VIRGINIA:

BOOK 41 PAGE 33

IN THE CIRCUIT COURT OF THE COUNTY OF GLOUCESTER, ON FRIDAY, THE 29TH DAY OF MARCH, 1991.

PRESENT: THE HONORABLE FRED W. BATEMAN, JUDGE DESIGNATE.

Commonwealth of Virginia

vs. (Felony No. 90-5175 Embezzlement

Dively, Robert C.
105 William Allen
Williamsburg, Virginia

This day came again William H. Shaw, III, the Attorney for the Commonwealth, and Robert C. Dively, the defendant herein, and came also William D. Bayliss, Michael E. Harman, and Dana McDaniel, his attorneys, pursuant to an order of adjournment of this Court on March 28, 1991.

Whereupon, the Court having taken a motion to strike under advisement, and having heard further argument on said motion, sustains said motion.

Whereupon, it is Adjudged and ordered that this case be dismissed and removed from the docket of this Court.

The Court certifies that at all times during the trial of this case, the defendant was personally present and his attorneys were likewise personally present and capably represented the defendant. The Court further certifies that a Court Reporter was also present during the trial of this case.

Enter this: 3/29/91


Judge Designate

V I R G I N I A :

IN THE CIRCUIT COURT OF THE CITY OF WILLIAMSBURG

ROBERT C. DIVELY,

Plaintiff,

v.

Law No. _____

McCLANAHAN INGLES,

Defendant.

AFFIDAVIT

COMMONWEALTH OF VIRGINIA
COUNTY OF GLOUCESTER

Personally appeared before me, William H. Shaw, III, who stated that the following facts are true and correct to the best of his knowledge and belief:

1. During 1990, I was the duly elected Commonwealth's Attorney of Gloucester County, Virginia, and as such was the chief law enforcement officer in that jurisdiction.

2. In April, 1990, McClanahan Ingles ("Ingles") made a complaint against his former business associate, Robert C. Dively ("Dively"). At that time, Ingles provided us with a box of miscellaneous documents concerning Ingles' business relationship with Dively, and various financial transactions engaged in by either Dively or the Virginia corporation known as Sea Technology, Ltd. ("STL").

3. Based upon my investigation, I believed there was probable cause that Dively had committed certain crimes, and presented proposed indictments to a duly convened grand jury panel



in Gloucester County, on May 7, 1990, which issued criminal indictments against Dively (collectively "indictments").

4. Prior to preparing the indictments, I met with Ingles on several occasions to investigate this matter, and Ingles fully disclosed the following matters to me:

- A. the existence of a stock option agreement which Ingles had given to Dively in the past, concerning a possible conveyance of STL stock ("stock option"), attached hereto as Exhibit A;
- B. the alleged existence of an STL invoicing memo prepared by Jane Hogge ("Hogge memo"), attached hereto as Exhibit B;
- C. the alleged existence of a handwritten memorandum prepared by Dively requesting that STL invoice to Dively's new company, Marina Technology, Inc. ("MTI") ("Dively memo"), attached hereto as Exhibit C.

5. Prior to requesting the indictments, I personally reviewed the stock option provided to me by Ingles. Further, upon best information and belief, Ingles also provided to me copies of the Jane Hogge memo and Dively memo prior to the indictments.

6. Subsequent to the issuance of the indictments, and in preparation for the criminal trial in this case, I discussed the stock option, Hogge memo, and Dively memo with Ingles at length. During my investigation, Ingles did not withhold any information regarding these items.

7. Neither the stock option, the Hogge memo, nor the Dively memo had any effect either on my decision to seek indictments against Dively, or in my decision to prosecute Dively based upon those indictments.

Further, affiant sayeth not.

William H. Shaw, III

Subscribed and sworn to before me this _____ day of January, 1992.

Notary Public

My commission expires:

V I R G I N I A :

IN THE CIRCUIT COURT OF THE CITY OF WILLIAMSBURG

ROBERT C. DIVELY,
Plaintiff,

v.

Law No. _____

McCLANAHAN INGLES,
Defendant.

AFFIDAVIT

COMMONWEALTH OF VIRGINIA
COUNTY OF GLOUCESTER

Personally appeared before me, William H. Shaw, III, who stated that the following facts are true and correct to the best of his knowledge and belief:

1. During 1990, I was the duly elected Commonwealth's Attorney of Gloucester County, Virginia, and as such was the chief law enforcement officer in that jurisdiction.

2. In April, 1990, McClanahan Ingles ("Ingles") provided me with information concerning his former business associate, Robert C. Dively ("Dively"). At that time, Ingles provided me with a box of miscellaneous documents concerning Ingles' business relationship with Dively, and various financial transactions engaged in by either Dively or the Virginia corporation known as Sea Technology, Ltd. ("STL").

3. Based upon my investigation, I believed there was probable cause that Dively had committed certain crimes, and presented proposed indictments to a duly convened grand jury panel

in Gloucester County, on May 7, 1990, which issued criminal indictments against Dively.

4. Based upon my further investigation, I believed that there was probable cause that Dively had committed a certain additional crime and presented a further proposed indictment to a duly convened grand jury panel in Gloucester County on July 27, 1990, which issued a further criminal indictment against Dively.

5. Prior to preparing any indictments, I met with Ingles on several occasions to investigate this matter, and Ingles disclosed the following matters to me:

A. the existence of a stock option agreement which Ingles had given to Dively in the past, concerning a possible conveyance of STL stock ("stock option"), attached hereto as Exhibit A;

B. the existence of a handwritten memorandum prepared by Dively requesting that STL invoice Dively's company, Marina Technology, Inc. for materials and labor purportedly used on jobs which were the subject of some of the indictments ("Dively memo").

The Dively memo is attached hereto as Exhibit B.

6. Prior to requesting the indictments, I personally reviewed the Exhibit A stock option.


7. Before the scheduled criminal trial date in November, 1990, I had in my file and fully reviewed the Dively memo, as well as an invoicing memo prepared by Jane Hogge which is attached as Exhibit C ("Hogge memo").

8. Subsequent to the issuance of the indictments, and in preparation for the criminal trial in this case, I discussed the stock option, Hogge memo, and Dively memo with Ingles at length. During my investigation, Ingles did not withhold any information regarding these items.

9. The stock option had no effect on my decision to seek indictments against Dively, or on my decision to prosecute Dively based upon those indictments.

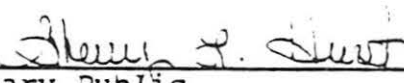
10. Neither the Dively memo nor the Hogge memo had any affect on my decision to prosecute Dively based upon the indictments.

11. The decision to prosecute was mine. I was neither pressured nor persuaded to prosecute by Ingles. Given the choice again, I would prosecute again.



William H. Shaw, III

Subscribed and sworn to before me this 1 day of ~~January~~ ^{JUNE}, 1992.



Notary Public

My commission expires:

June 9, 1992

Qualified as: 

THIS AGREEMENT, made this 20th day of April, 1987, between
McCLANAHAN INGLES of Gloucester County, Virginia, hereinafter referred to
as "Ingles"; and ROBERT C. DIVELY of Williamsburg, Virginia, hereinafter
referred to as "Dively", provides as follows:

WHEREAS, Ingles is the owner of certain stock in the following
named corporations, to-wit: Sea Technology, Ltd., United Metering
Services, Incorporated and Innovative Technology International, Ltd.; and

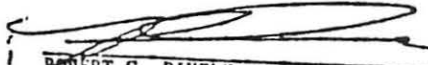
WHEREAS, Ingles wishes to offer Dively the option to purchase
stock in said corporations up to an amount equaling Ingles' stock in said
corporations.

NOW, THEREFORE, WITNESSETH: That for and in consideration of
services rendered in the sum of \$10.00 and other valuable consideration,
Ingles hereby offers Dively the option to purchase stock in said
corporations from Ingles for one half (1/2) of Ingles's costs therein
provided same is exercised within thirty (30) years from the date hereof.

WITNESS the following signatures and seals.


McCLANAHAN INGLES

(SEAL)

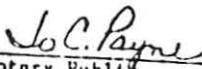

ROBERT C. DIVELY

(SEAL)

STATE OF VIRGINIA,

COUNTY OF GLOUCESTER, to-wit:

The foregoing instrument was acknowledged before me this 20th day
of April, 1987, by McCLANAHAN INGLES.


Notary Public

My Commission expires: May 19, 1989

EXHIBIT

A

ALL-STATE LEGAL SUPPLY CO.

2.5 weeks of work

3/1/10

6.00

6.00

6.25

5.50

6.00

3.20

42.95 X 60

8

2520 labor

2520.00

24 pedited @ 275 — 7375 — 7375

Parts — 30 ap @ ^{5.26} 5.75 — X 25 143.75
 30 ay bk @ ^{5.53} 6.00 — ~~8~~ 25 ~~5.53~~ 152.00
 Balb @ 25 — 2.58 64.75
 Gallut @ 25 — 1.90 1.96
 Sukt @ 25 — 2.75 .43
 Free plate — 6.20 1.13
 wire = 4' @ .25 X X 25
~~and~~ Ph + TV —
 10379.75

Shade shed,

Shed

25-10 in @ 14.76 = 448
 25 17 in @ 16 = 448
 7.6 X 3 = 22.80
 wire = 4.00

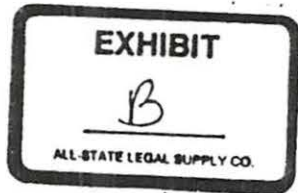
Paint =

6 X 35

210

1132.80

\$ 11511.75



2/23/90

Jane:

Please bill Maria Technology for

100	Covers of Varistypes	@ \$3.00 each
100	fuse holders + pins	@ \$1.25 each
50	photo cells	@ 4.00 each
100	face plates	@ 1.13 each

Mark



RECEIVED	
DATE	

Invoice Date Shipments That Need Invoicing

1/23/90 Mr. James Bell 1 Unit
1624 S.E. 11th Street UPS - GRD INVOICED
St. Landersdale, FL 33310 Shipping

Banyan Marina Apts Meter - Replacement INVOICED
111 Isle of Venice UPS - GRD
St. Landersdale, FL 33301

2/12/90 RJA Development 6 Units @ 700.00
2381 S.W. Cancege Hill Terrace = 4,200.
Palm City, FL 34990 Shipping 95.
UPS - COD - GRD \$4295.

Arrowhead Yacht Club 5 Units - Quoted 50 with
AHN: Joe Harvard Two Y.F.I., Plus, C.
Ketchum, OK 75437 WATER, @ =
UPS - GRD - COD Shipping 5,007.50

1/13/90 Mackay Harbor Club Replacement Parts / no charge
30675 W. River Road
Mt. Clemens, MI 48045 UPS - GRD



Shipments That Need Invoicing

1. <u>NAME</u> 2. <u>DATE</u>	
----------------------------------	--

2/14/90	Ray Carter, Wm A Mallins	1 Photocell Control	1 Bell
	1101 Gulf Stream Way	UPS - GRD	Replacement / NOC
	Riviera Way, FL 33404		
	Hank's West Yacht Club	1 Replacement Counter / NOC	
	7910 W. Dixie	UPS - GRD	
	K Bay Village, FL 21037		
	Liberty Yacht Club	3 buuo bar assemblies @ .12.	
	64 Old South River Road	UPS - GRD - Net 30	37.2
	Edgewater, MD 21037	Shipping	3.50
	(Credit to be received upon receipt of old mat.)		40.70
	SEABOARD Marine	meters @:	
	87 Ocean Ave	UPS - GRD Shipping	
	Bay Shore, N.Y. 11706	COD COD Total	480.28
		(Returned to US & Reshipped)	
	Fitz Const		
	1028 Northshore Ave	UPS - GRD	
	Beverly Hills, N.J. 08203		
	Gerber Enterprises	1 - Unit	
	6 Laganore Road	UPS - GRD	
	Palm Beach, FL 33480		
		Shipping	
		Total	
	Aircraft Ent.	1 - Unit	
	71-46 Myrtle Ave	UPS - Blue - COD	
	Glendale, N.Y. 11385		
		Shipping	
		Total	696.00

Invoice Date

Shipments That Need To be Invoiced

2/15/90 2 Timber Enterprises 1 - Unit - Replacement of one set
3 #6 Lagonax Road incorrectly on 2/14/90 - That is
4 Palm Beach, FL. to be returned.

6 Central Systems & Controls 90 - 30 amp Receptacles @ 6

7 29275 Clemens Road UPS - NOA 540.

8 Westlake, OH 44145 net 30 Shipping
9 Total

2/16/90 13 Palm Grove Marine 3 Shells Only @ \$250.00
14 2500 Main Street UPS - Net 30 - Red 750.
15 Ft. Myers Beach, FL 33931 shipping

2/19/90 19 Soaboard Marina meters
20 871 Ocean Ave UPS - Red Shipping
21 Bay Shore, N.Y. 11706 net 30 Total

2/20/90 25 Central Systems & Controls
26 29275 Clemens Road UPS - Red
27 Westlake, OH 44145 Net 30 Shipping
28 Total

30 Oceanhead yacht Club Quat pipe & Elbow left out
31 Attn: Joe Harwood of shipment / No Charge
32 Ketchikan, AK 99901 UPS / red

Shipments That Need Invoicing

PREPARED BY

DATE

2/22/90 Mike Hampton 1 - Mini 30/30
4245 North Central Expressway, Suite 420 Sales Sample
Dallas, TX 75205 No Charge
UPS/Red

2/28/90 Channel Port Marine (OK River yacht Club) 1 Sample @ 30
5300 Whiskey Island made in style +
Cleveland, Ohio 44102 Color requested for
UPS/Red order in house
No Charge

2/19/90 Maine Service 10 - Shells + Base Only
Brian Sparkle 4 - Unit Tops Only
UPS/Air

3/23/90 Maine Technology 100 Cakes @ 3.00 ea 300.00
105 Wm Allen 100 Jaws @ 1.25 ea 125.00
Whaley, Va 23185 50 Photocalls @ 4.00 ea 200.00
100 Facelates @ 1.13 ea 113.00
Total 738.00
Va Sales Tx.

3/1/90 Maine Technology See Attached Sheet for
105 Wm Allen Breakdown
Whaley, Va 23185

Invoice Date

Shipments That Need Invoicing

PREPARED BY	
DATE	

2/3/90

Arrowhead Yacht Club
Ketchikan, AK 99849

2 - Quad 50 Units -
Sent as Replacements for
two units damaged in shipping
on 2/2/90 - No Charge
UPS is processing claim &
pickup of units back to us.

City of Port Huron
100 McMoran Blvd, Room 3021
Port Huron, MI 48060

1 - Unit
shipping
UPS - GED - Prepaid

Mr. Floyd Poltidge
50 Isle of Venice
St. Landeche, FL 33301

1 Meter. Replacement / No Charge
UPS / GED

Mr. Gordon Shelton
10 Crawford Parkway
Portsmouth, Va 23704

10 - 13 Watt bulbs / No Charge
UPS / GED He's sending back old
ones for Graybar / GE.

3/2/90

Harbor West Yacht Club
7910 West Drive
North Bay Village, FL 33141

1 - Meter Assembly 100.00
Shipping 6.15
UPS-COD-GED 106.15

Kingsmill Marine

2 - Hoffman Mini Bacs - 50/50
Sent to marine

Wmsly, Va 23185

Already invoiced

Invoice Date

Shipments That Need Invoicing

PREPARED BY

DATE

Guilford Yacht Club

1 Base - Replacement of

32 Highland Street

Broken one in previous

South Norwalk, CT 06854

Shipment

UPS / RCL

56 pieces of Post pipe & Elbow

left out of original shipment

of based by Ted E. P.

No charge

Boeden Light Marine

Sent COD / UPS

70 Twin City Electric & Alkon Corp.

Already Invoiced

303 Rabeson Street

20 Units

Fall River, Mass. 02721

3/14/90

Colony Marine

16 Minis 30/30 -

6509 Highway M-29

Algonk, MT 48001

UPS / RCL

Deposit RL

Shipping

Total

3/16/90

Nyman Marine

1 Sample Quail 30 chest

1445 Gilman Blvd

No Charge

Osageville, LA 70027

Parts Due In or To be Ordered

PREPARED BY	
DATE	

Structural Foam Plates 426 Tops
213 Bases

Shipment Expected 3/19/90

More tops need to be ordered - Bases are in stock,
but did not continue to order the tops, because
of money

Sherrin Williams

Light Blue
Dark Blue
Gray
White
Catalyst
Accelerator

Due in Monday
Need Freight Check
See Wilson
Prepaid

Shipment of Screws IPC -

Need Check for Monday Delivery - Jo has A/C

Graybox - Needs to be ordered Monday
500 - 13W Bulbs, wire tie, wire nuts, ~~100~~ 1000 Lugs A/C
Green #10 wire, min 2,000 feet, (13 watt bulb - 4 per unit) - 500
Receptacles & Breaker stock needs to be checked. Rocky
has Releases in stock

Parts Due In or Not To be Ordered

Acme Plastics

ATTN: Harry

50 Sheets Sinter waiting to be Released

Reese Mfg & Engineering

Buss Bus Plates, 30amp & Breaker Cords on Order. Should be on the way in.

Check just sent for Jacupolis, check file for info, call Va for delivery time.
500 isolates

Cardinal Alum.

Extension should be counted & order placed for projection over next 60-90 days. Normal Leadtime on shipments - 4-6 weeks delivery.

Vossloh

13 with Sockets need to be ordered.

Normal Office Supplies

Copy paper — Low

Fax paper — Out

Banner Safety

Bill needs cartridges or filters for mask.
Number of masks in file.

Just Pipe - 7

insulator - 1/2 lb. 4072

Man acquitted on embezzlement charges

By Bill Tolbert

A Gloucester judge has acquitted a Kingsmill man on charges that his use of information and technology from a former job was the equivalent of embezzling future profits.

Judge Fred Bateman acquitted Robert Dively on all four counts after the prosecution presented its case. Dively's attorneys were not required to present evidence. According to the transcript of the ruling, Bateman was astounded at the speculation on which the prosecution based its case.

Dively is president of M-Tech Corp., manufacturer of utility supply pedestals for marinas. The embezzlement charges stemmed from allegations that Dively used a customer list belonging to his former employers, Sea Technology Inc., to market the pedestals. The state claimed Sea Technologies would have realized profits on the pedestals if it had sold them.

The case is also the subject of a civil suit between Sea Technology and Dively. In March 1990, Dively filed suit against Sea Technology and its director, McClanahan Ingles, claiming he spent company funds on a car for his wife, for trips, and for rent. In April, Sea Technology filed a suit against Dively alleging misuse of the customer list. The suit seeks \$3 million in punitive damages and \$2 million in compensatory damages. The case is scheduled for an August trial in Gloucester.

Dively maintains the items his new company makes and sells are different from those Sea Technology makes, and he has vehemently denied all charges against him. One of Dively's attorneys said Tuesday he soon will file a \$20 million civil suit against Ingles, claiming malicious prosecution, defamation of character, and interference with potential economic relations.

PLAINTIFF'S
EXHIBIT

31

V I R G I N I A :

BOOK 37 PAGE 680

IN THE CIRCUIT COURT OF THE COUNTY OF GLOUCESTER

ROBERT C. DIVELY,
Plaintiff,

v.

SEA TECHNOLOGY, LTD.
AND
McCLANAHAN INGLES

Defendants

CHANCERY NO. 5578

3/27/90

McCLANAHAN INGLES, Individually
and in the right of SEA
TECHNOLOGY, LTD.,

Plaintiff

v.

ROBERT C. DIVELY, et al,
Defendants

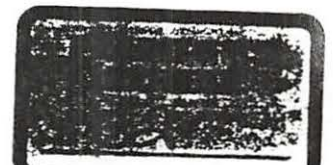
CHANCERY NO. 8150 90-5798

ORDER

This day came your parties, in person and by counsel, these cases having previously been consolidated by agreement, and after hearing evidence in these consolidated cases over a period of five days, and upon argument of counsel, ^{and for the reasons stated in the record} the Court finds as follows:

1. In the case of Dively v. Ingles, Chancery No. 5578, it is

ADJUDGED, ORDERED and DECREED that Robert C. Dively is and has always been a fifty percent stockholder of Sea Technology,



Ltd. with McClanahan Ingles as the other fifty percent stockholder, but the Court, after hearing all of the evidence, finds that it will not order dissolution of the corporation as requested by Dively and dismisses Dively's claim for appointment of a receiver and dissolution, to which Dively notes his exception; and

2. In the case of McClanahan Ingles v. Robert C. Dively, et al, Chancery No. 8150, it is

ADJUDGED, ORDERED and DECREED that at the conclusion of the evidence presented by plaintiff all claims against defendants for violation of the trade secrets law as claimed by plaintiff be denied, as the Court finds there were no trade secrets related to the manufacture and sale of the power pedestals and dock box by any of the parties, and further that upon defendants' motion to strike the evidence as it pertained to Alston Brooks and Linda Lee Dively, the plaintiff having failed to carry its burden of proof against said defendants, Alston Brooks and Linda Lee Dively, said motions were granted and the Amended Bill of Complaint as to Alston Brooks and Linda Lee Dively was dismissed; and

3. Upon hearing the remainder of the evidence, the Court finding for the defendants in this case, it is

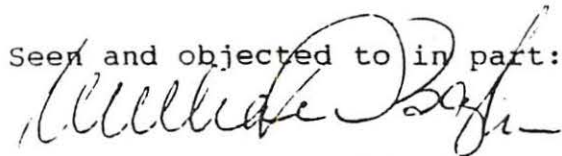
ADJUDGED, ORDERED and DECREED that judgment be entered in favor of all defendants, to which plaintiffs note their exception.

ENTER:

71 1 192

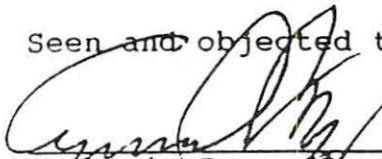

Judge

Seen and objected to in part:



William D. Bayliss, Esquire
VSB No. 13741
Williams, Mullen, Christian & Dobbins
P. O. Box 1320
Richmond, Virginia 23210-1320
Counsel for Robert C. Dively

Seen and objected to:

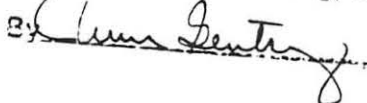


A. Davis Bugg, Jr., Esquire
Rumsey, Breeden, Hubbard,
Bugg & Terry
P. O. Box 340
Irvington, Virginia 22480
Counsel for McClanahan Ingles

lit:wdb0299

A Copy-teste:

Charles E. King, Jr., Clerk

By  Deputy Clerk

Robert C. Dively
105 William Allen
Williamsburg, Va. 23185

February 1, 1989

Mr. William McMachen
30698 N. River Road
Mt. Clemens, Mich. 48045

Dear Bill:

In order to produce the 12volt D.C. power source as inexpensive as possible I'am going to put it thru another company.

Since this power supply will use a custom manufactured transformer it will be necessary to buy all 300 transformers at one time. This power supply unit will contain a 5 minute mechanical timer which will replace the on-off switch.

The unit will be self contained with a resetable circuit breaker and seven feet of three conductor wire for connecting to the D.C. pump motor. The primary supply will be wired by Sea Tech into each pedestal and the outside trim switch will be located under a weather proof cover with a sign as follows:



This complete unit will cost as follows,
\$49.60 each including timer switch installed with cover and sign
300 x 49.60 = \$14,880.00

Please send this check to Marina Technology Ltd.
105 William Allen
Williamsburg, Va. 23185

Sincerely,

Robert C. Dively

M00347



Robertson TRANSFORMER COMPANY

PLEASE REMIT TO:

The Robertson Transformer Company, P.O. Box 96900, Chicago, IL 60693

SOLD TO: MARINE TECHNOLOGY, INC.
105 WILLIAM ALLEN
WILLIAMSBURG VA 23185

SHIP TO:

MARINE TECHNOLOGY, INC.
105 WILLIAM ALLEN
WILLIAMSBURG VA 23185

PHONES: 312/360-2810 • 312/788-7177
OUTSIDE ILLINOIS • 800/323-5833
FAX # 312/360-2420

INVOICE NO. → 105155
INVOICE DATE → 03/14/89
ORDER NO. → 056201-010
ORDER DATE → 02/08/89

NUMERIC COPY

SHIP VIA	SHIP DATE
YELLOW	03/14/89

PURCHASE ORDER NO	CUSTOMER	QLEMY	TERMS	SEE REVERSE FOR TERMS & CONDITIONS	FREIGHT PREPAID
MT12-6-89	481500	8	1X 10TH & 25TH NET30		

VT521 RT-180 37/8 1/4	1 TRANSFORMER LP: OTHER VOLT 10TH. HZ 160 WATT: 100 UL COMP. 120V/12V/100VA STANDARD LEADS	300	0	300	10.590	3177.00
--------------------------	--	-----	---	-----	--------	---------

DEFENDANT'S
EXHIBIT
3
Law No. 5856

3,177.00

3,177.00

SEA* TECHNOLOGY LTD.

I N T E G R A L - D O C K - S T O R A G E
P O W E R U N I T

SO UNIQUE WE APPLIED FOR A PATENT

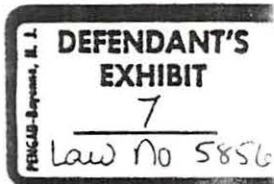
LOOK AT THESE SPECIAL FEATURES

- o STAND UP AND PLUG IN
- o LIGHTS MAIN DOCK AND FINGER PIER
- o SERVES ONE BOAT OR TWO
- o LIGHTS INSIDE THE BOX
- o LOOP FEED UP TO 300 MCM CABLE - 3 PHASE 5 WIRE
- o CONDUIT PATHS UNDER THE BOX - SO WIRES NEED NOT PASS THROUGH THE BOX
- o COMPLETELY PREASSEMBLED
- o ELECTRONIC METERING AVAILABLE FOR ONE BOAT OR TWO
- o PHONE AND CATV FOR ONE BOAT OR TWO
- o POWER UNIT FITS EITHER END
- o IMROM PAINTED LID FOR LONG LIFE
- o FIRE PROOF FIBER GLASS

SEA TECHNOLOGY LTD. ROUTE 1, BOX 43B, HAYES, VA 23072
(800)341-8324, (804)642-3568, FAX: (804)642-3569

Mr Robert Dively:

rec ck # 577
#610



Yesterday while speaking with you by phone
I ordered the Integral Dock-Box & Power Unit
I saw at the Miami Boat Show. (Mr. John
Mc Messin) - with the box I would like

2 x 30 amp receptacles
lights
phone & CATV
water

Price quoted me at the boat show without phone &
CATV was \$512⁰⁰ now adjusted to \$532. with
phone and CATV.

Enclosed is my check for \$610⁰⁰ to cover cost of the
box + \$78 for "next day" Federal Express.

Please confirm my order and provide me
with an estimated shipping date. Thank you

JOHN Wm KEATING
136 SE LELAND ST.
PORT CHARLOTTE FL.
33952

(813-743-4891)

Dr. John William Keating
136 S E. Leland Street
Port Charlotte, FL 33952

JK

JOHN W. KEATING
MARGUERITE T. KEATING
136 S.E. LELAND STREET
PORT CHARLOTTE, FL 33952

2-22 19 90

572

PAY TO THE
ORDER OF

SEA TECHNOLOGY LTD

3 610

SIX HUNDRED TEN

00

DOLLARS



FIRST
FEDERAL
of Charlotte County
Pembroke, North Carolina

MEMO

DOCK BOX

John W. Keating

⑆257086702⑆251000018743⑆0572

DEPOSIT TICKET

MARINA TECHNOLOGY, INC.

CRESTAR

Crestar Bank
Richmond, Virginia

2/27/90

DATE

CURRENCY

COM

John W. Keating 6812.00
John Keating 610.00
R. J. Smith 6000.00

00271900002

TOTAL FROM OTHERS 13442.00

TOTAL

13442.00

13442.00

Checks and other items are returned for deposit
subject to the provisions of the Uniform Commercial
Code or any applicable regulatory provisions

MARINA TECHNOLOGY, INC.
106 John Jefferson Road
Williamsburg, VA 23185

March 27, 1990

Dr. John Keating
136 Southeast Leland
Port Charlotte, FL 33952

Dear Dr. Keating;

We are returning payment for the dock box you ordered because we inadvertently deposited your check in the wrong account and in order not to create anymore confusion, it is simpler to return your payment and ask for payment to be issued in the correct company name, Marina Technology, Inc.

We have today shipped your dock box by Preston Trucking Company and you should have your dock box within a week.

Please accept our apology for the delay and confusion with your order. Please contact us if you have any further questions.

Sincerely,


Robert C. Dively

President Marina Technology, Inc.

WESTAR

Bank
and Virginia
Member's Check

*Received & Deposited
Jub*

1165423

March 27 19 90

68-186/514

**** Dr. John Keating ****

\$ 610.00

EXACTLY 610 AND 00 CTS

Dollars

Marina Technology Inc.

1013

Carol A. Phillips

Counter Signature

Symon H. Mancil

Authorized Signature

⑈01165423⑈ ⑆051401865⑆ 000004332⑈

**DEFENDANT'S
EXHIBIT**23

Law No 5856

Marina Technology Ltd.
105 William Allen
Williamsburg, Va. 23195

Proposal submitted to
Gary McAllister
Hampton Harbor Assoc.
C/O Southeast Assoc.
Newport News, Va. 23606

Phone
529-0551

Date
Nov. 23, 1988
Job Name: Foole's Grant
Hampton, Va.

PROPOSAL

Marina Technology Inc. proposes to design and construct a 72 slip marina at the site on the Hampton River adjacent to the Foole's Grant Condominium project and adjacent to the railroad pier.

The Marina will be similar to the sketch attached to this proposal and will include the following:

1. Complete detailed design including structural, mechanical, and electrical designs.
2. Ordering and obtaining all materials with on site storage (owner to provide security)
3. Assembling and building sub assemblies on site for installation in the water (owner to provide area 200 x 300 for storage and assembly)
4. Installing the marina in the water in accordance with the plan submitted to and permitted by the C.O.E. and VMRC.
5. Decking the railroad pier with #1 S.Y.P. with .4 CCA treatment
6. Installing a sanitary pump out station located between the two piers on the railroad pier
7. Install 85 piling for dock retaining and boat mooring. These pilings will be 2.5# treated CCA S.Y.P. 40-45 ft. long
8. Install a loop water system on both docks of 1" Oest pipe fed by a 1 1/2" meter at shore
- ✓ 9. Install 40 SeaTech Dockaiders with power and water and meters (see brochure)
10. Install two aluminum bridges with railing. These two bridges will be 24' long.
11. The Marina will not be equipped with handicapped facilities for entering the dock and the bridge angle can exceed 1ft. in 12 feet.
12. Installing an aluminum railing on the rail road pier per the architects DWG.
13. Marina is estimated to be completed in 150 days from the receipt of the deposit.

14. Marina Technology will obtain the building permits from the city of Hampton.
15. This proposal does not include a fire system but does include four, 2.5# fire extinguishers on each dock.
16. This proposal does include removing the piling from the old pier south westerly of the marina site (about 22 pilings)
17. A Jabsco pump out unit with provisions for accepting 10 gallons of waste from portable toilets which will be pumped to the sanitary man hole closet to the pier, thru a 2" force main.

[Handwritten signature]

The lump sum price for the above is \$288,850.00, two hundred eighty-eight thousand eight hundred fifty dollars payable as follows.

December 15, 1988-----	\$65,000
January 15, 1989-----	\$75,000
February 15, 1989-----	\$75,000
March 15, 1989-----	\$50,000
April 15, 1989-----	\$23,850 (final)

SUBJECT TO: WORK
TO BE COMPLETED
SCHEDULE TO BE MUTUALLY
AGREED UPON.

[Handwritten signature]

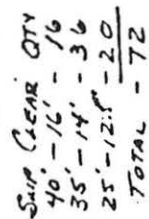
Accepted by Gary McAllister
For Hampton Harbor Assoc.L.P.
General Partner

[Handwritten signature] 11/23/88

Proposed by Marina Technology
Inc. by its President
Robert C. Dively

PLEASE SUBMIT DOWN PAYMENT BY 1/6/89 ~~10/23/88~~

[Handwritten signature]



POOLE'S GRANT MARINA
ON
HAMPTON RIVER

08-117 K251672

Marina Technology Ltd.
105 William Allen
Williamsburg, Va. 23185

Gary McAllister
Hampton Harbor Associates
C/O Southeast Associates
Newport News, Va. 23606

March 7, 1989
Job Name: Poole's Grant
Hampton, Va.

Dear Gary:

The following is a listing of the materials, work and deposits and the related lien waivers requested by you for the first \$65,000 payment on the marina project.

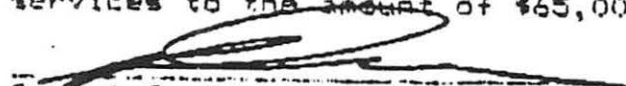
- | | |
|--|----------|
| 1. Order and deliver all dock lumber to the site | \$25,000 |
| 2. Pay for previous engineering work | 5,800 |
| 3. Finish engineering drawings | 2,500 |
| 4. Obtain permits | 500 |
| 5. Order floatation units with 25% down | 11,250 |
| 6. Order metal parts with 25% down | 3,750 |
| ✓ 7. Order Sea Tech Docksiders with 25% down | 9,500 |
| 8. Obtain and deliver to site bolts, nuts, washers | 2,500 |
| 9. Labor, Misc. tools and equipment and trailer rental plus mobilization | 4,200 |

\$65,000

Note: While the above parts are being fabricated no labor will be on the site. The Marina Technology employees will arrive at the site on or about April 13th, 1989.

LIEN WAIVER

Marina Technology, its heirs or assigns and Robert C. Dively its president and controlling stock holder hereby waive any and all lawful rights it may have in a lien at the Poole's Grant Marina on Hampton Creek for the attached listed materials and services to the amount of \$65,000.00.


Robert C. Dively
President
Marina Technology, Inc.

Subscribed and sworn to before me
this 7 day of March 1989 a Notary
Public in and for the Commonwealth of Virginia.



PHONE 804-599-0551
12368 WARWICK BLVD.
NEWPORT NEWS, VA 23608

$$\frac{58-50}{514} = 1.558$$

507571843 03-15-89 124 1989 0735

1018

MARINA TECHNOLOGY INC .2
105 WILLIAM ALLEN
WILLIAMSBURG VA 23185

14
000 BR 0323

CUSTOMER NUMBER 30883-8157
OR 08-83-8151 PAGE 1
FROM 2-28-89 TO 3-31-89

*****SUMMARY OF YOUR ACCOUNT(S) WITH US*****
REVIOUS BALANCE TOTAL CREDITS TOTAL DEBITS FEES NEW BALANCE
1 CHECKING 11,697.06 1 65,000.00 13 33,578.61 .00 43,118.45

1 CHECKING
DATE DESCRIPTION AMOUNT DAILY BALANCE
3-15 DEPOSIT 65,000.00 2-28 11,697.06
HECK NO. DATE TRACE NO. AMOUNT 3-06 10,697.06
105 3-10 44487 684.84 3-07 10,304.06
106 3-07 23394 393.00 3-10 9,619.22
107 3-06 174616 1,000.00 3-13 8,126.47
108 3-17 8213 535.08 3-15 73,126.47
109 3-13 37691 492.75 3-17 72,591.39
110 3-13 181150 1,000.00 3-20 70,591.39
111 3-20 197272 2,000.00 3-21 54,243.94
112 3-21 25055 15,500.00 3-22 51,219.70
113 3-21 25056 628.00 3-24 44,618.45
114 3-21 20585 219.45 3-27 43,118.45
115 3-22 55645 3,024.24
116 3-27 648 1,500.00
117 3-24 45053 6,601.25

M00249

Marina Technology Inc.
105 William Allen
Williamsburg, Va. 23185

May 9, 1989

72 Slip Marina at Foole's Grant on Hampton Creek
Status of Project Draws and Payments Due.

PROJECT

Amount of project contract 3/1/89	\$268,850
Add due to changes to single phase	2,200
Add for Installing 6x6 light post	500
Project amount this Request	\$291,950

DRAWS

1st. Draw \$65,000

	Amt. 1st. Draw	on site paid	Amt. Due Owner	Amt. Due M.T.I.
1. Dock Lumber	\$25,000	\$17,621	\$7,379	-0-
2. Engineering (previous)	5,800	5,800	-0-	-0-
3. Finish Eng. (drawings)	2,500	625	1,875	-0-
4. Obtain permits	500	150	350	-0-
5. Order Flotation	11,250	11,250	-0-	-0-
6. Order Metal Parts	7,750	18,317	-0-	14,567
✓ 7. Order Sea Tech Docksidars	19,500	39,710	-0-	30,210
8. Bolts Washer. ETC	2,500	6,380	-0-	3,880
9. Labor, tools, Equip, Trailer	4,200	5,983	-0-	1,783
	<u>\$65,000</u>	<u>105,836</u>	<u>9,604</u>	<u>50,440</u>

Materials, Labor, Mobilization and deposits paid this period

\$105,836

Less 1st. draw

(65,000)

AMT DUE M.T.I.

\$40,836

Materials, deposits and labor this period

Remainder of Floatation	\$33,750
Lumber During May	7,379
Dock Railroad Pier	4,000
Electrical Panel and Parts	3,700
Labor In Place This Period	7,080
Finish Drawings	1,875
All Permits	350
Additional Amount Required this Period	\$58,134

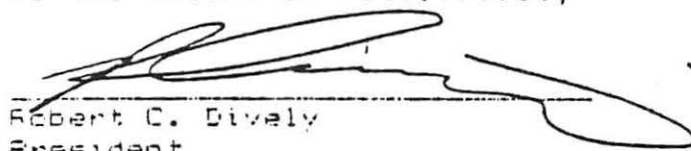
Amount Due From Previous Period	\$40,836
Amount Due This Period	<u>58,134</u>
Total Amount Of This Request	\$98,970

Project Status After This Draw

Project Amount	\$291,950
Less Previous Draw	(65,000)
Less This Payment Request	<u>(98,970)</u>

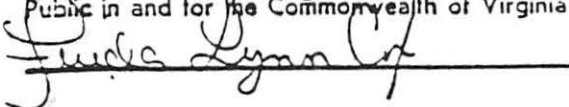
Amount of Project remaining	\$127,980
-----------------------------	-----------

Marina Technology, its heirs or assigns and Robert C. Dively its President and controlling stock holder hereby waive any and all lawful rights it may have in a lien at the Poole's Grant Marina on Hampton Creek for the attached listed materials and services to the amount of \$163,970.00,


Robert C. Dively
President
Marina Technology Ltd.

5/16/89

Subscribed and sworn to before me
this 16 day of May, 1989, a Notary
Public in and for the Commonwealth of Virginia



Proposal

Page No.

of

Pages

SEA TECHNOLOGY, LTD.

P.O. Box 489
GLOUCESTER, VIRGINIA 23061
(804) 642-3568

DEPENDANT
EXHIBIT

24

low No 58

PROPOSAL SUBMITTED TO SEA TECHNOLOGY, LTD.		PHONE	DATE Feb. 15, 1991
STREET		JOB NAME Boat's Grant Marina	
CITY, STATE AND ZIP CODE 23061 Gloucester, VA		JOB LOCATION	
ARCHITECT	DATE OF PLANS	JOB PHONE	

We hereby submit specifications and estimates for:

Quantity

Description

17 10-30 SealTech Dockside utility pedestal with a 15 watt photocell controlled fluorescent light, each side of the pedestal will have one 10amp. marine corrosion resistant receptacle and square D weather water, CATV, phone and electronic kilowatt hour meters.
Your price is \$447.50 each

EXTENDED-----\$7,407.50

10-10/10-30 SealTech Dockside utility pedestal with all the same features as above except each side will have two 10amp. receptacles and breaker
Your price is \$507.50

EXTENDED-----\$4,060.00

10-50/10-50 SealTech Dockside utility pedestal with all the same features as above except each side will have one 10amp. and one 50amp. receptacle and breaker. Your price is \$507.50

EXTENDED-----\$4,060.00

We Propose hereby to furnish material and labor — complete in accordance with above specifications, for the sum of:

dollars (\$ _____).

Payment to be made as follows:

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Workers are fully covered by Workmen's Compensation Insurance.

Authorized
Signature _____

Note: This proposal may be withdrawn by us if not accepted within _____ days.

Acceptance of Proposal — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance: _____

Signature _____

1023

Signature _____

Proposal

Page No.

of

Pages

SEA TECHNOLOGY, LTD.

P.O. Box 489
GLOUCESTER, VIRGINIA 23061
(804) 642-3568

PROPOSAL SUBMITTED TO Sea Technology Ltd.		PHONE	DATE Dec. 16, 1988
STREET		JOB NAME Poole's Grant Marina	
CITY, STATE AND ZIP CODE Williamsburg, Va.		JOB LOCATION	
ARCHITECT	DATE OF PLANS	JOB PHONE	

We hereby submit specifications and estimates for:

Quantity

Description

4 single 30 Sea Tech Dockside utility pedestal with a 17 watt fluorescent photo-cell controlled light. one side will have one 30amp. marine corrosion resistant receptacle and square breaker, water, CATV, phone and electronic kilowatt hour meter Your price is \$310.00 each
EXTENDED-----\$1,240.00

1 10-30 Blank SeaTech Dockside utility pedestal with all the same features as above except one side will have two 10amp. receptacle and breaker Your price is \$170.00
EXTENDED-----\$170.00

2 10-50 SeaTech Dockside utility pedestal with all the same features as above except one side will have one 30amp. and the other side will have one 50amp. receptacle and breaker. Your price is \$412.50 each
EXTENDED-----\$825.00

Estimated freight for this order would be \$468.00 or the units may be picked up at our plant.

Virginia sales tax for this order is \$814.75

The Proposer hereby to furnish material and labor — complete in accordance with above specifications, for the sum of:

dollars (\$ 12,110.00)

Payment to be made as follows:

Total with tax \$12,924.95

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, delays beyond our control. Owner to carry fire, tornado and other necessary insurance. workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature

Note: This proposal may be withdrawn by us if not accepted within _____ days.

Acceptance of Proposal — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

1024

Date of Acceptance:

Signature

Signature

Sea Technology, Ltd.

P.O. Box 489
Gloucester, Virginia 23061
800-341-8324
(804) 642-3568
Fax (804) 642-3569

2184

INVOICE DATE	SALESPERSON
02/23/89	F. Cox
SHIP TO	
Boyle's Grant Marina	

O Marine Technology Ltd
Williamsburg, VA

OUR ORDER NO.	DATE SHIPPED	SHIPPED VIA	F.O.B. POINT	TERMS	
		pick-up	Gloucester, VA	net 30	
QTY. ORDERED	B/O	QTY. SHIPPED	DESCRIPTION	UNIT PRICE	TOTAL
2	XX	2	30-50 SeaTech Docksider marine power pedestal with all the same features as above except one side has one 30 amp. and the other side has one 50 amp. receptacle and breakers	412.50	825.00
17	XX	17	30-30 SeaTech Docksider utility pedestal with all the same features as above except each side has one 30 amp. marine corrosion resistant receptacle and Square D breaker.	447.50	7,607.50
8	XX	8	Quad 30 SeaTech Docksider marine power pedestal with all the same features as above except each side has 2 30 amp. receptacles and breakers	507.50	4,060.00

Thank You

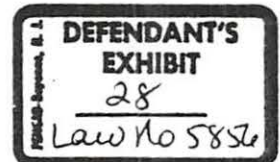
- 1- Birds paint Booth 4' (low price)
- 1- Rockwell Saw "Rockal" - Paperclips, 11"
- 1- West blue print machine " " "
- 3- 8' fluorescent fixtures
- 17 Rolls of wire 8 AWG + several S.T.C.
- 1 Router B+D
- 1 Circuit trim saws and faulting
- 1 Box of Misc. Nuts - faulting
- 1 Box of Round sockets
- 1 Box of Cones
- 1 Box of
- Cover - 166 Ads

(17) ~~FB~~ Bottom

- 1 San Tech pedestal
- 1 San Tech Mini (Pedestal)
- 1 San Tech Mini (Box type)
- 1. Round drill press (broken)
- 1. Buckle Square drill press. broken
- ~~1. Non finished Nuts (11/15)~~

→ (26 singles) Voltage, frequency
(18 doubles) oil pit machine
probably faulting

Face plate - 202



MARINA TECHNOLOGY, INC.
106 JOHN JEFFERSON ROAD
WILLIAMSBURG, VA 23185

APRIL 16, 1990

ITEM DESCRIPTION

PROBABLE OWNER

1 BINKS PAINT BOOTH 4' BROKEN	STL
1 ROCKWELL SAW "RADIAL"	WILLOUGHBY HARBOR
1 DART BLUEPRINT MACHINE	WILLOUGHBY HARBOR
3 8' FLUORESCENT FIXTURES	STL
17 ROLLS OF WIRE - 8 AWG & COAXIAL	STL
1 B & D ROUTER	STL
1 DEWALT TRIM SAW	STL
1 BOX OF MISC METERS (OBSELETE & FAULTY)	STL
26 SINGLES \ VOLTAGE, FREQUENCY,	
18 DOUBLES / OUTPUT READING FAULTY	
1 BOX ROUND GASKETS	STL
1 BOX OF COVERS (166 LIDS & 117 BOTTOMS)	STL
1 SEATECH PEDESTAL	STL
1 SEATECH MINI (BOX TYPE)	STL
1 SEATECH MINI (PED. TOP)	STL
1 ROCKWELL DRILL PRESS	STL
1 BUILDERS SQUARE DRILL PRESS (BROKEN)	STL
FACEPLATES (202)	STL
1 {TANDY COMPUTER, MONITOR, PRINTER	STL
{ ASSORTED BOOKS	

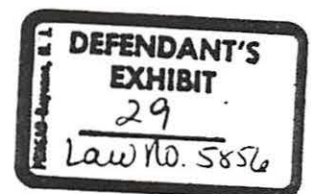
* Assorted papers, patent file, cost list.
* Picture Frame

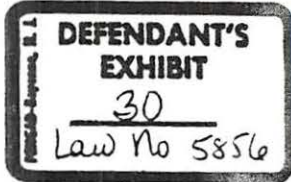
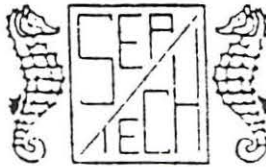
* Not Returned

D. David
SEA TECHNOLOGY, LTD

Recd. 4/16/90

Adam White





Sea Technology, Ltd.
Docksider ☺

CERTIFIED MAIL
- RETURN RECEIPT REQUESTED

March 15, 1990

William D. Bayliss, Esquire
Browder & Russell
One James Center
901 East Cary Street
Richmond, Virginia 23219

Dear Mr. Bayliss:

This will acknowledge receipt of your letter dated March 9th, postmarked March 12th and received in my office on March 13th. Since Bob Dively has chosen to resign as officer and director of Sea Technology, Ltd., I ask that he return all property belonging to Sea Technology, Ltd. including, but not limited to, the dockbox which was removed from our manufacturing facility; drawings of marinas submitted by customers of Sea Technology, Ltd.; customer lists; and any and all other items he has removed which belong to Sea Technology, Ltd. If he does not return those items within seven days of the date hereof, the company will presume that he is converting them to his own use and will conduct itself accordingly.

I have also made requests upon Bob Dively in the past to reimburse the company for unauthorized travel expenses for himself and other family members and I am again making that request. In addition, Mr. Dively had on several occasions indicated he would make car rental payments and pay for his car telephone and he should do so immediately as well as reimburse the company for one month of his health insurance which was paid at his request in advance when he apparently had full knowledge he was leaving the company.

In addition, in examining the company's records, it appears that Mr. Dively sold assets of the corporation to Marina Technology, a company owned or controlled by him and that Sea Technology has an account receivable from Marina Technology in the amount of \$18,924.95. That amount should be paid to Sea Technology forthwith.

There are also a number of customer inquiries which have been addressed to Mr. Dively in the past and which he has chosen to ignore. It would appear that it would be in the best interest of the company for Mr.

William D. Bayliss, Esquire
March 15, 1990
Page two

Dively to at least apprise us of the conversations to date and preferably of an appropriate response to each respective inquiry.

In response to Mr. Dively's letter of March 9th which was attached to your letter of March 9th and received by me on March 13th, I have fully cooperated in the attempt to sell Sea Technology, Ltd. and to my recollection, Mr. Dively at no time has advised me that he disagreed with any offer or counteroffer he and I made regarding any proposed purchase of the company or its assets. In fact, Mr. Dively has refused to meet with prospective purchasers on occasion and has refused to keep me advised of prospective purchasers with whom he has met and has excluded me from meetings with certain prospective purchasers.

In addition, it appears that Mr. Dively failed to perform the tasks expected of him as President of the company during the year 1989 and the company will explore reimbursement from Mr. Dively for that failure.

I am in the process of seeking corporate counsel and personal counsel regarding this matter and will advise you when I have retained same. In the meantime, rather than discussing this matter, I would suggest that you communicate your thoughts regarding this matter to me in writing.

It is unfortunate that Mr. Dively has chosen to conduct himself as he has in the past as it appears to have resulted in significant financial suffering for the company. I am in the process of attempting to evaluate the current financial status of the company and I strongly suggest that Mr. Dively forthwith reconcile his financial obligations to the company and return the items of property to the company so that the company can move forward in a responsible manner.

Yours very truly,

McClanahan Ingles

MI/jcp

Proposal

Page No. 1 of 1 Pages

157 14, 6y
2/3/90

1. AIL Deposit To

MARINA TECHNOLOGY, INC.

105 William Allen
Williamsburg, Virginia 23185
1. 800-347-8324

DEFENDANT'S
EXHIBIT
32
Law No 585

SUBMITTED TO Shark Island Yacht Club		PHONE 202 502 0094	DATE January 16, 1990
FROM Marina Technology, Inc.		JOB NAME Shark Island Yacht Club	
LOCATION Neptune, N.J. 07753		JOB LOCATION Neptune, N.J.	
STATE AND ZIP CODE	DATE OF PLANS	JOB PHONE	FAX 804 642-3569

I hereby submit specifications and estimates for:
We are pleased to quote you on the following Marina Technology
Power Centers - Lock Storage Box Combination.

Item	Qty	Description	
1		Marina Technology Divided Duck Boxes with a power center on each end. Each power center has a 50 amp 120/240 volt marine corrosion resistant receptacle and a two pole 50 amp square D breaker, and a 15 watt fluorescent light with photocell control. Each side of the box also has a phone and cable T.V. outlet and a 1/2" water hose bib @ \$470.00 each.	9870.00
		extended	\$470.00
2		Marina Technology Divided Duck Boxes with all the same features as item #1 except that each power center will have a 30 amp marine corrosion resistant receptacle and square D breaker @ \$400.00 each.	14,400
		extended	\$400.00

If a light is desired in the front center of the box, add \$18.00 to the unit price.

Delivery will be 5 weeks from the receipt of this order if received before 1/21/90.

We propose hereby to furnish material and labor - complete in accordance with above specifications for the sum of Twenty-Five Thousand, Four Hundred

Our standard terms are 25% deposit on 6068.00 dollars (\$ 24,270.00) with your order.

The balance will be due with arrival of the material.

I warrant a guarantee to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance of workers are fully covered by Workers Compensation Insurance.

Authorized Signature

Note: This proposal may be withdrawn by us if not accepted within 30 days.

Acceptance of Proposal - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance 1-26-90

Signature Roll A King Delaester
Signature _____

SHARK ISLAND YACHT CLUB INC.
238 LAFAYETTE AVE
EDISON, NJ 08837

EXPLANATION	AMOUNT
<i>checkbook</i>	<i>62.80 -</i>
<i>freight</i>	<i>25.2 -</i>

55-2/212

514

PAY
AMOUNT
OF

one thousand eight hundred thirty two and 00/100

DOLLARS

CHECK
AMOUNT

DATE	TO THE ORDER OF	GROSS	CHECK NUMBER
<i>2-16-79</i>	<i>Sea Technology Ltd</i>		

\$ *6832.00*

DESCRIPTION

FIRST FIDELITY BANK, N.A., NEW JERSEY

WAG

⑈000514⑈ ⑆021200025⑆ 70769 502 86⑈

⑈0000683200⑈

*3/28/79
Marina Technology Ltd
only*

020000150
020000150
020000150

*Sea Technology Ltd
Marina Technology Ltd
For deposit*

DEFENDANT'S
EXHIBIT

33
Law 105856

1032

DEPOSIT TICKET

MARINA TECHNOLOGY, INC.

CRESTAR

Crestar Bank
Richmond, Virginia

2/27/90

DATE

BRANCH (0000)

CURRENCY

COIN

John P. [unclear] ST 6812.00
Shirley Island ST 610.00
John Keck ST 6000.00
R. [unclear] ST

20,000,344,200

TOTAL FROM OTHER PAGE

28 ATTACHED LIST

13442.00

TOTAL

13442.00

Checks and other items are deposited for deposit
subject to the provisions of the Uniform Commercial
Code or any applicable electronic agreement

DEFENDANT'S
EXHIBIT

33a
Law No 5856

MARINA TECHNOLOGY, INC.

105 William Allen
Williamsburg, Virginia 23185

DEFENDANT'S
EXHIBIT

35
Law No 5856

PROPOSAL SUBMITTED TO DOCA of The Bay Marina Attn: Mr. Carl Wall		PHONE 419 627-1177	DATE January 3, 1990
JOB 111 East Shoreline Drive		JOB NAME Dock of The Bay Marina	
STATE AND ZIP CODE Sandusky, OH 44871-1800		JOB LOCATION Sandusky, OH	
ARCHITECT	DATE OF PLANS	PA	JOB PHONE 419

We hereby submit specifications and estimates for:

Description

- | Item | Qty | Description |
|------|-----|---|
| 1 | 3 | 30/30 amp SeaTech Dockside with one thirty amp marine corrosion resistant receptacle and Square D breaker on each side, a 15 watt fluorescent light with photocell control, amber lens, hinged brackets, and dual phone & cable T.V. outlets. |
| 2 | 5 | 30/30 amp SeaTech Dockside with one thirty amp marine corrosion resistant receptacle and Square D breaker on each side and all other features as item #1 except no phone & cable T.V. outlets. |
| 3 | 10 | Quad 30 amp SeaTech Dockside with two 30 amp marine corrosion resistant receptacles and Square D breakers on each side and with all other features as item #2. |
| 4 | 10 | Marine Technology Dock Boxes with dual 30 amp corrosion resistant receptacles and Square D breakers, one phone and cable T.V. and three 15 watt fluorescent lights. |
| 5 | 10 | Marine Technology Dock Boxes with a single 30 amp corrosion resistant receptacle and Square D breaker and all other features as item #4. |

We propose hereby to furnish material and labor — complete in accordance with above specifications, for the sum of

Payment to be made as follows: _____ dollars (\$ _____)

Material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry life, tornado and other necessary insurance or workers are fully covered by Workmen's Compensation Insurance.

Authorized
Signature

Note: This proposal may be withdrawn by us if not accepted within 30 days days

Acceptance of Proposal — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance: Jan 18, 1990

Signature

Signature

MARINA TECHNOLOGY, INC.

105 William Allen
Williamsburg, Virginia 23185

PROPOSAL SUBMITTED TO Dock of The Bay Marina Attn: Mr. Carl Wolf 111 East Shoreline Drive		PHONE 419 627-1177	DATE January 3, 1989
STATE AND ZIP CODE Sandusky, OH 44871-1800		JOB NAME Dock of The Bay Marina	
ARCHITECT		JOB LOCATION Sandusky, OH	JOB PHONE 419

We hereby submit specifications and estimates for
Item Qty Description

Description

5 Marine Technology Dock Boxes with no electrical.

The cost of the listed light per box will be \$16.00.

All units will contain loop feed-back systems.

YES \$62,750.00

The loop sum price for the units will be \$62,750.00

plus 10% boxes x \$16.00 for the light = \$16,000.00

additional for a total cost of \$65,750.00.

All orders are shipped P.O.B. our plant in Gloucester, VA.

Freight charges to be determined at time of shipping.

Units are to be delivered no later than 3/10/1989

We propose hereby to furnish material and labor — complete in accordance with above specifications, for the sum of:
Sixty-Five Thousand, Seven Hundred, Fifty Six — \$65,750.00.

Payment to be made as follows: Standard 25% deposit would be \$16,441.25 and the balance would be due with arrival of the units at your site.

Material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, delays beyond our control. Owner to carry life, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature

Note: This proposal may be withdrawn by us if not accepted within 30 days.

Signature

Signature

Acceptance of Proposal — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance: Jan 18, 1989

MURRAY & CO. MARINA, INC.

P. O. BOX 19
SANDUSKY, OHIO 44871-0019

10

PAY
TO THE
ORDER OF

Marina Technology

Fifteen thousand four hundred forty one and 25/100

\$ 16,441.00
DOLL

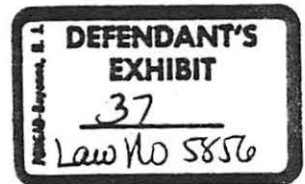


THE CITIZENS BANKING
COMPANY
SANDUSKY, OHIO 44870

FOR

⑈001046⑈ ⑈041201635⑈ 04 328 9⑈

⑈0001641⑈



PAY ANY BANK
F25 CLEVELAND OHIO-0001-4
⑈001046⑈ 01-29-90

JAN 29 1990
051000020

01111272

Handwritten signature

INVOICE NO
09775

DEFENDANT'S
EXHIBIT
38
Law No 58576

SHIPPED TO DOCK OF THE BAY MARINA

SANDUSKY, OHIO 44871-1800

SANDUSKY, OHIO 44871-1800

CUSTOMER'S ORDER	SALESMAN	TERMS	SHIPPED VIA	F.O.B.	DATE
Verbal	RCD	C.O.D.	Truck	Glo	2-28-90
29	SeaTech Docksider Utility Pedestals				10,870 00
	8 - 30/30 Pedestals				
	5 - 30/30 Pedestals no phone/catv or water				
	16 - Quad 30 Pedestals no phone/catv or water				
25	Marina Technology Dock Boxes			280 00	7,000 00
	Pro-rated deposit				-4,467 50
	Freight				540 00
	Total This Shipment				13,942 50
				M00258	

DEFENDANT'S
EXHIBIT
38a
Law No 5856

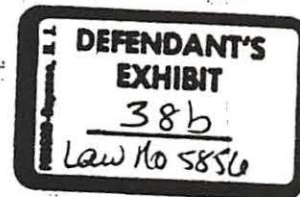
ENDORSE HERE
Marion Tech. Soc.
From Robert + Linda Bates
[Signature]
Fox Deposit only

FIR BANK
12-14-80
12-14-80
100204

MA 00 05
061800020



Sea Technology, Ltd.
Docksider ©



Gloucester, January 16, 1990

Dock of the Bay Marina
Att: Mr. Carl Wolf
111 East Shoreline Drive
Sandusky, OH 44071-1800

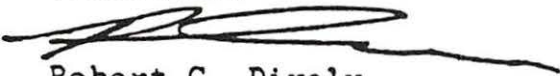
Integral Dock Storage Box Power Center -

Dear Carl:

This is to inform you that the complete Storage Box Power Center Combination has been submitted to the Safety Lab for listing.

Marina Technology and Sea Technology guarantees that the unit will have the safety listing required by the State of Ohio and City of Sandusky for use as a Shore Power unit for use on the Dock of the Bay Marina.

Sincerely,


Robert C. Dively

Route 1, Box 43B, Hayes, VA 23072
(800)341-8324, (804)642-3568, Fax: (804)642-3569

M00256

Gloucester, January 16, 1990

Dock of the Bay Marina
Att: Mr. Carl Wolf
111 East Shoreline Drive
Sandusky, OH 44871-1200

Integral Dock Storage Box Power Center

Dear Carl:

This is to inform you that the complete Storage Box
Power Center Combination has been submitted to the
Safety Lab for listing.

Marina Technology and Sea Technology guarantees that
the unit will have the safety listing required by the
State of Ohio and City of Sandusky for use as a
Shore Power unit for use on the Dock of the Bay Marina.

Sincerely,

Robert C. Dively

Route 1, Box 438, Hayes, VA 23072
(800)341-8024, (804)642-3569, Fax: (804)642-3569

PROPOSED STIPULATION OF LARRY SIETSMA

1. Larry Sietsma was the authorized representative of Pelican Harbor Marina in Palm Bay, Florida, for the purchase of marina products.

2. Mr. Sietsma first met Mr. Dively at the Miami boat show in February 1990.

3. At the Miami boat show, there was on display in the Sea Technology booth a dock box. At the boat show, Mr. Sietsma informed Mr. Dively that he was interested in approximately 28 marina power units. Dively quoted the pedestal units at \$575 per unit and quoted dock boxes at \$675 per unit.

4. At the Miami boat show, Sietsma was not aware of the existence of Marina Technology, or that the dock box was Dively's personal venture.

5. At the boat show, Dively provided Mr. Sietsma with a Sea Tech Docksider brochure with Dively's handwritten notations of prices quoted. A copy of this brochure is attached hereto as Exhibit A. The notations regarding the meters are those of Mr. Sietsma which Mr. Sietsma wrote during his conversations with Mr. Dively at the boat show.

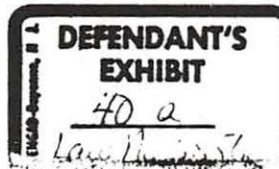
6. On February 22, 1990, a proposal for 28 dock boxes was telefaxed to Mr. Sietsma (attached hereto as Exhibit B).

7. After receiving the February 22, 1990, proposal, Mr. Sietsma contacted Mr. Dively and inquired that the price per unit was not the price quoted by Mr. Dively at the boat show and as indicated on Exhibit A. Mr. Dively advised Mr. Sietsma that he could build the box at his other company for the originally quoted price of \$675.

8. Some time during his early negotiations with Mr. Dively, Mr. Sietsma received in the mail a photo of a dock box sent by Mr. Dively (attached hereto as Exhibit C).

9. On March 7, 1990, Marina Technology sent to Mr. Sietsma a proposal for 28 dock boxes at the price of \$675 per unit. A true copy of the proposal is attached here to as Exhibit D.

10. After receiving the proposal from Marina Technology, Mr. Sietsma called the Marina Tech number listed on the proposal to inquire about the connection between Marina Tech and Sea Technology. He did not speak with Mr. Dively at this time but spoke with a lady answering the telephone for Marina Tech. At this time Mr. Sietsma wanted confirmation that he was still dealing with Bob Dively concerning the purchase of dock boxes similar to those



displayed at the Miami boat show. He was not overly concerned with the name of the specific company producing the boxes as long as the boxes were identical to those displayed at the Sea Technology booth in Miami in February 1990 and available at the boat show price.

11. Pelican Harbor Marina accepted the proposal attached as Exhibit D, and sent a requested deposit check to Marina Technology, Inc., dated March 8, 1990, in the sum of \$4,725.00. A copy of this deposit check is attached hereto as Exhibit E.

12. Marina Technology, Inc. shipped 28 dock boxes to Pelican Harbor on or about May 4, 1990. A true and correct copy of the invoice accompanying this shipment is attached hereto as Exhibit F.

13. The 28 dock boxes delivered to Mr. Sietsma were the same type and design as depicted in the photograph as Exhibit C.

14. The meters for the 28 dock boxes were not included in the original shipment but were supplied by Mr. Dively at a later date.

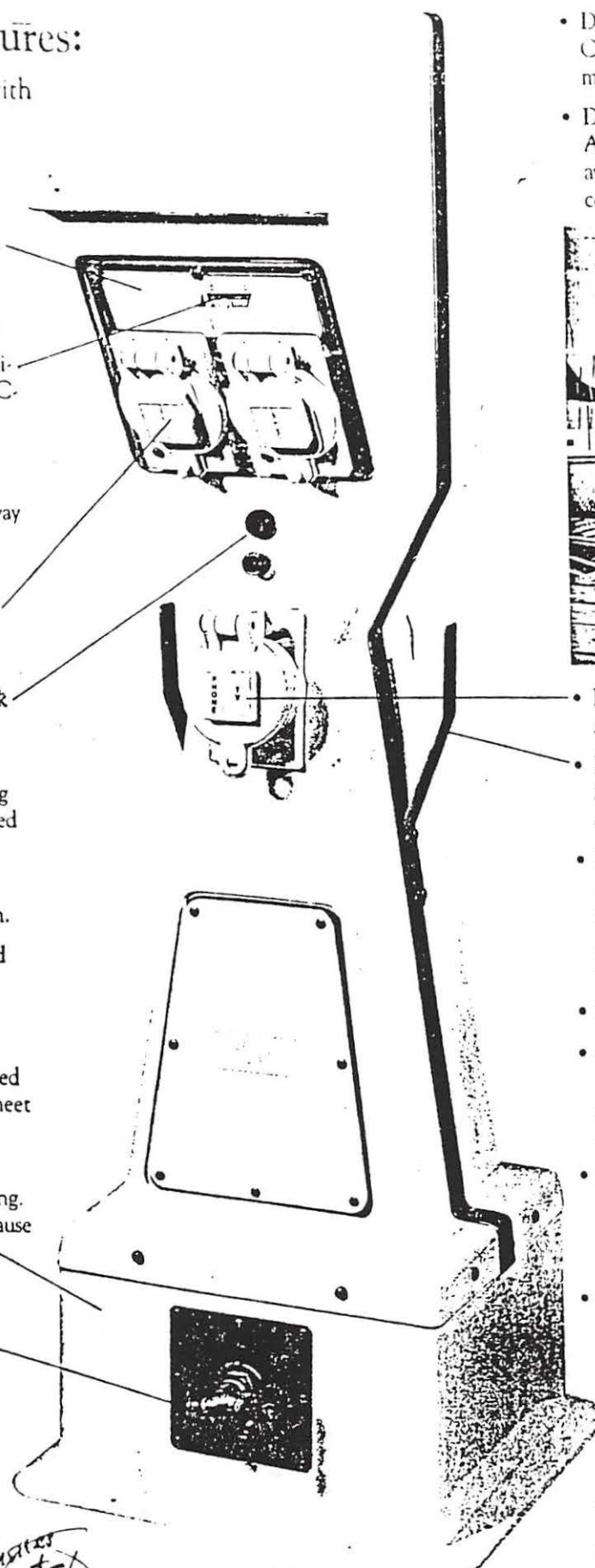
15. All the meters were received by Pelican Harbor.

16. Mr. Sietsma made full payment to Marina Technology for all sums listed on the invoice attached as Exhibit F. The check for the balance is the bottom check on Exhibit E.

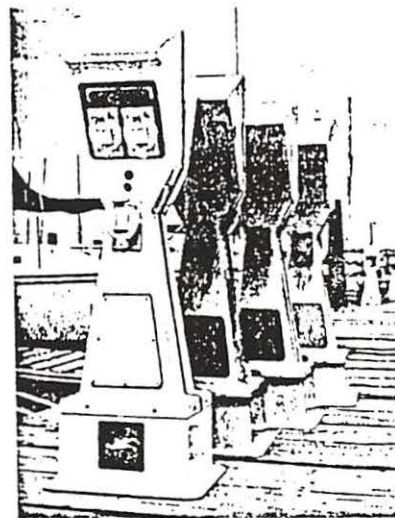
Compare these features:

(many of them new for 1988 with no increase in cost).

- **Internal Fluorescent Light**
Indirect lighting to illuminate the dock, not the boater's eyes. Lights receptacles so boaters don't need flashlights.
- **Electronic Kilowatt Hour Meter***
Certified to meet or exceed American National Standards Institute C-12.1 specifications. Built in.
- **Bug-Away Lens**
Yellow-amber lens made of tough polycarbonate helps keep bugs away from the unit.
- **Weather Proof Cover Plates**
Available in marine yellow, grey, brown and white.
- **Photoelectric Light Sensor**
Activates fluorescent light at dusk and deactivates it at dawn.
- **Corrosion Resistant**
All interior parts and the housing are corrosion resistant and covered by extended warranty.
- **Ideal Size**
The Dockside stands 43 3/8" high.
- **Unitized and Factory Pre-Wired**
Saves on installation.
- **Individual Circuit Breakers**
All receptacles are protected by magnetic circuit breakers designed to resist nuisance tripping and meet NFPA 303 requirements.
- **Mounting Base**
May be shipped first for pre-wiring. No tight quarters to wire in because bus bars are open to electrician when top is removed.
- **Water Hose Hookup**
1/2" and 3/4" available. Backflow preventers also available.
- **Complete Isolation of Water, Power, Phone and Cable T.V.**
- **Easy Installation**
Can be installed in 15 minutes.



- **Duralon Housing**
Custom engineered for the tough marine environment.
- **Duragloss Finish**
A long-life high-luster marine finish available in a variety of pleasing colors.



- **Phone and Cable T.V. Hookup Available**
- **Hoble Brackets**
Stainless brackets to store hoses and cables on the unit, not on the dock.
- **Loop Feed Connector**
Allows units to be looped together eliminating expensive splicing. Available to handle up to 300 MCM wire.
- **Locking Covers Available**
- **Combinations of 20, 30, 50, and 100 amp Single and Three-Phase and 20 amp GFI Receptacles are Available**
- **Electrical Rating**
200 amp max. per unit, 120/208/240 single or three-phase, five-wire system.
- **Other Options**
300 MCM bus bars. Five-bar bus system. Faucets, cable TV adaptors and telephone jacks may be deleted.

* The Kilowattcher Electronic Kilowatt Hour Transducer by United Metering Services offers three outputs: a readout at the pedestal, a readout in the club house, or a computer output that can be billed to the user.

8 UNITS \$325 EACH \$575 PEDESTAL UNITS
 ADD 100 FULL \$425
 \$425 / METER \$5 / MO. METER RENT & FEE
 BUS'S \$100 / METER
 HAND WIRING IN 131-LITE
 Bob Dively

3/29/90
Order Ready about 2:00 PM
Sharon Hall

SUBMITTED TO Mr. Larry Sietsma		PHONE 407 951-4407	DATE February 22, 1990
1901 South Harbor City Boulevard Suite 806 Melbourne, FL 32901		JOB NAME Pelican Harbor Marina	
STATE AND ZIP CODE FL 32901		JOB LOCATION	
PROJECT	DATE OF PLANS	JOB PHONE FAX 407 768-2111	

We hereby submit specifications and estimates for:
We are please to quote you on the following Individual Dock Box power Units.

1. A light on each end (each 13 watt).
2. Water, phone & Cable T.V.
3. A flat lid.
4. Loop feed 300 MCM Buss bars (14" from the deck).
5. Imron painted lid.
6. All stainless hardware with stainless screws (no pop rivets).
7. Window for inside lighting of the box.

Item	Qty	Description
1	28	Dock Boxes with a 30 amp marine corrosion resistant receptacle, Square D breaker, electronic digital meter, on each end and all features as above @ \$695.00 each. Extended-----\$19,460.00.

Delivery to be by April 21, 1990 if ordered by February 26th.

All dock boxes are shipped F.O.B., Gloucester, Va and we estimate the freight for this order to be \$780.00.

We Propose hereby to furnish material and labor — complete in accordance with above specifications, for the sum of Nineteen Thousand, Four Hundred, Sixty and ----- dollars (\$-----\$19,460.00).
Payment to be made as follows:

Our standard terms are 25% deposit with the order and the balance C.O.D with delivery of the boxes to your site.

Material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Workers are fully covered by Workmen's Compensation Insurance.

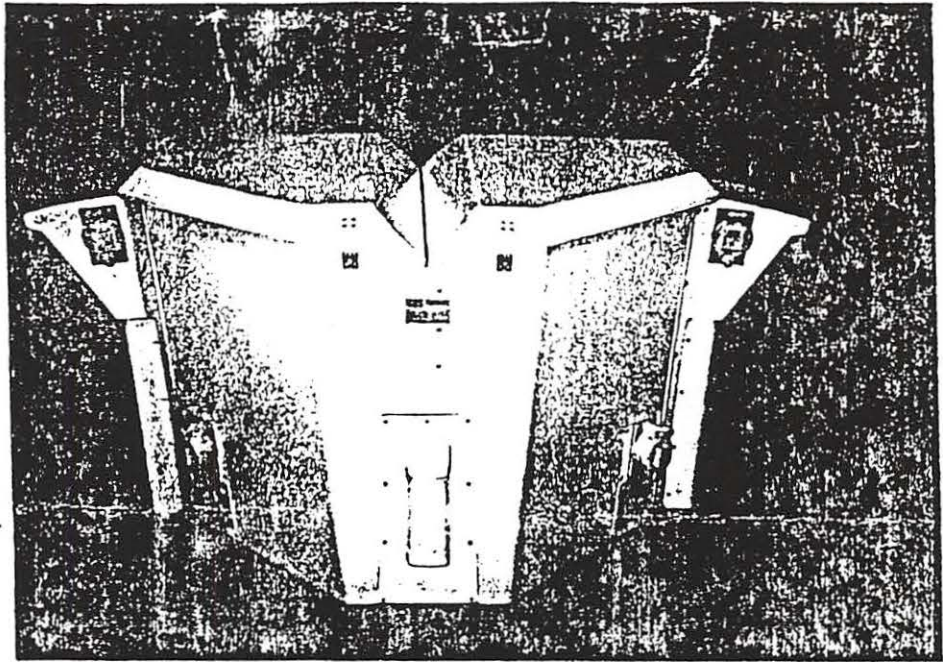
Authorized Signature Robert C. Dwyer
Note: This proposal may be withdrawn by us if not accepted within 30 days

Acceptance of Proposal — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to the work as specified. Payment will be made as outlined above.

of Acceptance _____

Signature _____
Signature _____





572 cf. bu. ?

1-804-220-5500

PROPOSAL SUBMITTED TO Mr. Larry Stetson		PHONE 101-541-3307	DATE March 14, 1968
FEE* Two South Harbor City Conference 1 South Harbor Marina		JOB NAME South Harbor Marina	
CITY, STATE AND ZIP CODE Maitland, FL 32751		JOB LOCATION	
ARCHITECT	DATE OF PLANS	JOB PHONE	

we hereby submit specifications and estimates for:

We are releasing to you on the following individual back box and units.

1. A light on each end (each 10 watt).
2. water, phone & cable t.v.
3. a 2120 car.
4. large food 200 HOGS large barn 44' from the house
5. inside painted 11d.

2. Choosing how the data is collected and how long.

— 115 —

DELETED - 10/12/2001

Block Boxes with a 60 ship marking decoration to withstand
responsible, square to breaker, the entire original metal,
and the rest of all change, as shown in the following:
Extended to include a number of other items - \$418,000.00.

18 900.00

Delivery to be by April 21, 1920 if ordered by placed immediately.

The freight for this order to be \$760.00.

We propose hereby to furnish material and labor — complete in accordance with above specifications, for the sum of:

Payment to be made as follows:

dollars (\$ 118,000.00)

~~and the total loss is 25% downed, 23, 7, 3, 00, with the ending 2004 the~~

~~Exhibit 100-1-1 with delivery of the vessel to your ship~~

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry life, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized
Signature _____

Note: This proposal may be withdrawn by us if not accepted within

34

Acceptance of Proposal - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance:

A. J. Russell & Co., President

Signature _____

Signature _____

EXHIBIT

ALL-STATE LEGAL SUPPLY CO.

PELICAN HARBOR MARINA, INC.

PHONE (305) 773-3580
2860 N. RIVERSIDE DRIVE
INDIALANTIC, FL 32903

1789

63-453
631

EXHIBIT

E

ALL-STATE LEGAL SUPPLY CO.

PAY TO THE
ORDER OF

Marina Technology, Inc. 3/8 1990
Four thousand seven hundred twenty-five and 1/100 \$ 4,725.00
DOLLARS

FIRST
FLORIDA

FIRST FLORIDA BANK, N.A.
Downtown Melbourne Office 7451
1109 East New Haven Avenue
Melbourne, Florida 32901

FOR

Sheryl S. Sietema

⑈001789⑈ ⑆063104532⑆ 534102047⑈ ⑆0000472500⑈

PELICAN HARBOR MARINA, INC.

PHONE (305) 773-3580
2860 N. RIVERSIDE DRIVE
INDIALANTIC, FL 32903

1823

63-453
631

PAY TO THE
ORDER OF

MARINA TECHNOLOGY, INC 5-3 1990
FOURTEEN THOUSAND, NINE HUNDRED, FIFTY FIVE and NO \$ 14,955.00
DOLLARS

FIRST
FLORIDA

FIRST FLORIDA BANK, N.A.
Downtown Melbourne Office 7451
1109 East New Haven Avenue
Melbourne, Florida 32901

FOR

DOCK BOXES

Sheryl S. Sietema

⑈001823⑈ ⑆063104532⑆ 534102047⑈ ⑆0001495500⑈

BUSCH CORPORATE CENTER
106 JOHN JEFFERSON ROAD
WILLIAMSBURG, VA 23185

DATE May 4, 1990

YOUR
ORDER NO.

OUR
ORDER NO.

OLD TO:

Mr. Larry Sietsma

1901 South Harbor City Blvd.

Suite 806

Melbourne, FL 32901

SHIP TO:

Pelican Harbor Marina

Melbourne, FL

TOB	TERMS	DATE SHIPPED	SHIPPED VIA	SALESMAN		
Our Plant	C.O.D.	5/5/90	Our Truck	RCD		
ORDERED	SHIPPED	DESCRIPTION		PRICE	PER	AMOUNT
	28	Dock Utility Boxes with one thirty amp receptacle and breaker on each end, 13 watt fluorescent light, phone & CATV, water and meter		675.00		18,900.00
<i>OK #1823</i> <i>Daniel O. Redgate</i>		Freight				780.00
		Deposit Paid				-4,725.00
		Total Due				14,955.00

EXHIBIT

F

ALL-STATE LEGAL SUPPLY CO.

the reason
is not up
to date

2/23/90

Jane:

Please bill Marica Technology for

100	Covers of Vain types	@ \$3.00 each
100	pure blood + fin	@ \$1.25 each
500	photo cells	@ 4.00 each
100	face plates	@ 1.13 each

Mark



2/23/90

Jane:

Please bill Marvin Technology for

100	Covers of Vainstypes	@ \$3.00 each
100	fuse holder & pin	@ \$1.25 each
50	photo cells	@ 4.00 each
100	face plates	@ 1.13 each

Harkness



43

M00308

2.5 weeks of labor Jane Anne Main Tech 3/14

6.00
6.00
6.25
5.50
6.00
3.20

42.95 X 60

8 2520 labor

2520.

24 pedates @ 275 — 7375 — 73.75

Parts — 30 ap @ ^{5.26} 5.75 — X 40 517.50 25 143.75
30 ap bk @ ^{5.33} 6.00 — 180 25 152.00
Salt @ 25 — 2.58 2.58 68.75 61.75
Oallat @ 25 — 1.90 1.96 47.5
Sokt @ 25 — .75 .43 19.25
Pore plate — 6.20 1.13 30.00
wire = 4' @ .25 X X 25 25.00
~~and~~ Ph + TV —
10,379.7

Shake 3rd.

Shrub : 25-10 in @ ^{11.76} 76 = 448
25 17 in @ ^{12.04} 76 = 448
7.6 X 3 22.80
wire = 4.00

Paints = 6 X 35 210
1132.80

11,511.7

.....
2,520.00 +
7,375.00 +
143.75 +
152.00 +
68.75 +
47.50 +
19.25 +
30.00 +
25.00 +
1,132.80 +
11,514.05 *

95022621

Pay to the
order of
James X. Hopper
224-5656

01/25/00 10:50:00 AM

DEFENDANT'S
EXHIBIT
163
Low No 5852

MARINA TECHNOLOGY, INC.

Pay to the
order of

James Hopper
224-5656

CREST
Credit Bank

James Hopper

#00000524

#0000050000

3/16 10:50

500.00

01/25/00

95022621

Handwritten: Five Dollars

156211033

DEFENDANT'S
EXHIBIT
Handwritten: laa 110

778

June 12 1987

Pay to the order of *Handwritten:* W.D. Lane

Five thousand & 00/100

South Carolina National Bank
Charleston, S.C.

Mr. R. T. TAYLOR

For Stock Purchase

Signature: J. Cherry

0000778 0532000190 00334937 0000500000



SEND INQUIRIES TO

Jefferson National Bank

P.O. BOX 26362

RICHMOND, VA. 23260-6362

(804) 782-6481

INTRODUCING

THE JEFFERSON LINE

THE LINE OF CREDIT
THAT GIVES YOU A CHOICEW H D INC
105 WILLIAM ALLEN
WILLIAMSBURG VA 23185

CUSTOMER NUMBER

000 BR 0323 FROM 5-29-87 TO 6-30-87

*****SUMMARY OF YOUR ACCOUNT(S) WITH US*****					
PREVIOUS BALANCE	TOTAL CREDITS	TOTAL DEBITS	FEES	NEW BALANCE	
02 CHECKING					
4,147.51	5,000.00	3,198.16	.00	5,949.35	

02 CHECKING				DAILY BALANCE	
DATE	DESCRIPTION	AMOUNT			
6-15	DEPOSIT	5,000.00	6-04	4,073.51	
6-26	MISCELLANEOUS DEBIT	280.00	6-09	3,458.37	
			6-10	3,424.06	
CHECK NO.	DATE	TRACE NO.	AMOUNT	6-15	2,924.06
123	6-04	50017	75.00	6-17	2,739.36
123	6-09	33094	284.14	6-18	6,235.36
125	6-10	47261	64.22	6-26	5,949.35
126	6-05	130053	300.00		
127	6-15	211043	500.00		
128	6-17	55823	194.70		
129	6-18	115987	1,500.00		
ENCLOSURES	9				

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION



SEND INQUIRIES TO

Jefferson National Bank

1056

Charleston County
P.O. Box 281
Mt. Pleasant, SC 29464

Telephone
(803) 884-6415

Jon Guerry Taylor, P.E., Inc.
Marina, Special Studies and General Civil Engineering Consultants

TO: BOB DIVELY - SEATECH FACSIMILE NO: 804-642-3569
FROM: GUERRY TAYLOR TIME: _____
DATE: 12/14/88
PROJECT: Bald Head Island & Indigo Plantation

Total number of pages
(including cover letter): _____

We are transmitting from a Facsimile Machine.

If You Do Not Receive All The Pages,
please call back as soon as possible: (803) 884-6415

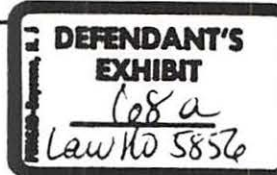
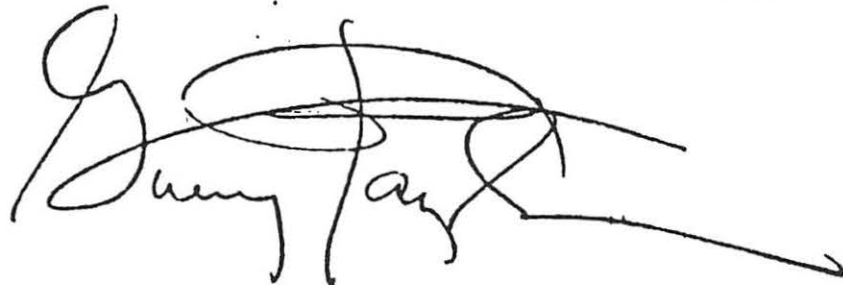
To transmit to us, call: (803) ~~884-6415~~
884-4026

NOTE: The telephone numbers above are not transferable to each other.
The FAX Number is not automatic and must be manually started.

SPECIAL INSTRUCTIONS:

PLEASE CONFIRM EVERYTHING WITH DANNY
CUTLER - SELL DIRECTLY TO THEM AS WE
DISCUSSED -

THANK YOU.



04663

BOB - THANKS FOR THE REFERRALS ON WORK -

Gary Taylor

copy of the

shop drawings

for installation of

8

Cable Boxes

for 2 & 4

~~Line to~~

wiring hook up etc.

Harold Grouph
Zeldhead Island

P.O. Drawer 10999
Southport, NC 28461

04662



70461

Danny C. Her Planning Director
Baldhead Island

P.O. Drawer 10000 (Hypocrite)

Seaford, NC 28461

100

800-443-6305
919-457-4758

and pictures of different colors
and textures

~~Do you know Taylor~~

04661

GATOR



GATOR MARINE CO.

DOCK MARINE

2800 E. Highway 90
Sanford, Fla. 32771-0601
(405) 333-0199
Fla. Toll Free 1-800-621-2207

2800 E. Highway 90
Sanford, Fla. 32771-0601
(405) 333-0199
Fla. Toll Free 1-800-621-2207

P.O. Box 3118
Lantana, Fla. 33465-3118
(405) 502-2550
Fla. Toll Free 1-800-432-3537

DATE: 11/18/88 PROJECT: Tanager/Bald Head

SHEET # 1 of 1

QTY	DESCRIPTION	PRICE	TOTAL
2-	2-30" d. Lumber, incl. wh. Htr, Htr, Htr, Htr	\$ 630	1,260
16-	4-30" d. Lumber	\$ 730	11,680
1-	2-30" d., 2-50" d. Lumber	\$ 900	900
17	256' 12"		
1 Head	2-3	\$ 630	1890.
11-10	4-30" d. Lumber	\$ 730	7300
1-25	2-30" d., 2-50" d. Lumber	\$ 900	900.
317	317' 11-10"		23,930
317	317' 11-10"		444
317	317' 11-10"		24,374

Contact Danny Cutler 1-800-443-6305
Fax 1-317-457-9232

Confirm Order and require a minimum deposit

Bob - Please check Slip # 13-22 To see if there is any problem changing it to a 2-30" d. - Please call me -

Curry

Joe

Wednesday

04659

GATOR

TRI-LOCK

DOCK

SHORE

ALUMINUM

P.O. Box 281
Mt. Pleasant, SC 29465

Jon Guerry Taylor, P.E., Inc.
Engineers, Planners and Marina Industry Consultants

Telephone
(803) 884-6411
FAX
(803) 884-4020

Seatech
Mr. Mack Engles
P.O. Box 489
Gloucester, Virginia 23061

April 1, 1990

SUMMARY: Developed Electrical Drawings For Marina Power
Pedestal System
Invoice #10033

	Amount
INTEREST ON OVERDUE BALANCE.....	\$14.26
TOTAL AMOUNT OF THIS INVOICE.....	\$14.26
PREVIOUS BALANCE.....	\$490.00
BALANCE DUE.....	\$504.26

Current	1 Month	2 Month	3 Month
14.26	0.00	0.00	490.00

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counsel and set forth in the record; the plaintiff thereupon moved for a nonsuit of his Count V insulting words claim and his Count VI tortious interference with contract claim, both of which motions were GRANTED; upon consideration whereof the said motions of the defendant as to the remaining Counts of the motion for judgment were OVERRULED.

Whereupon the defendant began presentation of his evidence; thereafter court was adjourned for the day.

On July 24, 1992, came the same parties and their counsel and the same jury and the defendant completed the presentation of his evidence and rested; whereupon the plaintiff, by counsel, advised the court that no rebuttal evidence would be presented.

At the conclusion of all of the evidence, the defendant, by counsel, again moved to strike the plaintiff's evidence for the reasons and on the grounds set forth in the record; upon consideration whereof, the defendant's motion to strike plaintiff's Count II abuse of process claim was GRANTED; the remainder of the defendant's motions were OVERRULED.

Whereupon, the jury was duly instructed and the matter was argued by counsel and the issues were duly submitted to the jury for their consideration.

Whereupon, the jury returned and rendered the following verdicts:

Malicious prosecution - compensatory damages
We find for the defendant
Malicious prosecution - punitive damages
We find for the defendant

Signed: Dennis Smith, foreman

Emotional distress - compensatory damages
We find for the defendant
Emotional distress - punitive damages
We find for the defendant

Signed: Dennis Smith, foreman

Defamation - compensatory damages
We find for the plaintiff
We fix his damages at \$50,000.00
Defamation - punitive damages
We find for the plaintiff
We fix damages at \$100,000.00

Signed: Dennis Smith, foreman

Whereupon, the jury was discharged, and the plaintiff, by counsel, moved to set aside the jury's verdict with regard to malicious prosecution and emotional distress for the reasons and on the grounds set forth in the record, and, upon consideration whereof, that motion was DENIED. The defendant, by counsel, moved to set aside the jury's verdict with regard to defamation for the reasons and on the grounds set forth in the record, and, upon consideration whereof, that motion was DENIED.

It is therefore ORDERED that the plaintiff recover nothing of the defendant and that the defendant have JUDGMENT with regard to Counts I and III of the motion for judgment; it is further ORDERED that the plaintiff recover JUDGMENT of the defendant in the amount of \$150,000.00 with regard to Count IV of the motion for judgment; it is further ORDERED that the parties shall bear their own costs.

The court further ORDERS that docketing of this judgment, execution and any other enforcement remedies are hereby STAYED for a period of 30 days to permit the plaintiff to post a supersedeas

bond or letter of credit pursuant to §8.01-676.1(C) of the Code of Virginia and thereafter if the bond or letter of credit is posted according to law.

ENTER - 8/7/92

Russell M. Carnell
Judge Designate

SEEN AND OBJECTED TO
IN PART:

A. Davis Bugg, Jr.
Va. State Bar No. 14729
RUMSEY, BREEDEN, HUBBARD, BUGG & TERRY
P. O. Box 340
Steamboat Road
Irvington, Virginia 22480
(804) 438-5522

SEEN AND OBJECTED TO
IN PART:

William D. Bayliss
Va. State Bar No. 13741
WILLIAMS, MULLEN, CHRISTIAN & DOBBINS
Two James Center
1021 East Cary Street, 15th Floor
P. O. Box 1320
Richmond, Virginia 23210-1320

A COPY TESTE:
HELENE S. WARD, CLERK
BY Alley May
Deputy Clerk



JUDGES

G. DUANE HOLLOWAY
P.O. BOX 371
YORKTOWN, VA 23690
(804) 898-0073

WILLIAM L. PERSON, JR.
P.O. BOX 385
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(804) 229-4711

JOHN M. FOLKES
P.O. BOX 282
GLOUCESTER, VA 23061
(804) 693-1358

COMMONWEALTH of VIRGINIA

NINTH JUDICIAL CIRCUIT

COURTS

CHARLES CITY COUNTY MATHEWS COUNTY
GLOUCESTER COUNTY MIDDLESEX COUNTY
JAMES CITY COUNTY NEW KENT COUNTY
KING AND QUEEN COUNTY YORK COUNTY
KING WILLIAM COUNTY CITY OF POQUOSON
CITY OF WILLIAMSBURG

JUDGES/RETIRED

ROBERT T. ARMISTEAD
DUKE OF GLOUCESTER ST.
WILLIAMSBURG, VA 23185

RUSSELL M. CARNEAL
226 THOMAS NELSON LANE
WILLIAMSBURG, VA 23185
(804) 229-4392

JOHN E. DeHARDIT
P.O. BOX 291
GLOUCESTER, VA 23061
(804) 693-2781

August 12, 1992

William D. Bayliss, Esquire
Williams, Mullen, Christian & Dobbins
P.O. Box 1320
Richmond, VA 23210-1320

A. Davis Bugg, Jr., Esquire
Rumsey, Breeden, Hubbard, Bugg & Terry
P.O. Box 340
Irvington, VA 22480

Re: Robert C. Dively v. McClanahan Ingles
Williamsburg/James City County Circuit Court
Law No; 5856

Gentlemen:

You will recall that when the jury retired to consider the above-styled case, some members asked if they could write on the instructions. Both of you agreed they could.

In perusing the file a couple of days ago, I found instructions 12 and 13 which the jury had apparently used to determine part of their verdict as they have made certain notes thereon. I enclose copies of them as I thought they may be of interest to you.

Sincerely yours,

Russell M. Carneal
Judge Designate

RMC/jrh
enc.