

<b>COMPOUNDING ILLUSTRATION</b>												
<b>THIS EXHIBIT DEMONSTRATES THE POWER OF COMPOUNDING OVER LONG TIME PERIODS</b>												
<b>rate - 6%</b>			<b>rate - 9%</b>			<b>rate - 9%</b>			<b>rate - 9%</b>			
<b>3,500/yr for 40 years</b>			<b>3,500/yr for 40 yrs</b>			<b>missed 10 early years</b>			<b>missed 10 late years</b>			
Year	contri- bution	value end of year	Year	contri- bution	value end of year	Year	contri- bution	value end of year	Year	contri- bution	value end of year	
1	3,500	3,710	1	3,500	3,815	1	3,500	3,815	1	3,500	3,815	
2	3,500	7,643	2	3,500	7,973	2	0	4,158	2	3,500	7,973	
3	3,500	11,811	3	3,500	12,506	3	0	4,533	3	3,500	12,506	
4	3,500	16,230	4	3,500	17,446	4	0	4,941	4	3,500	17,446	
5	3,500	20,914	5	3,500	22,832	5	0	5,385	5	3,500	22,832	
6	3,500	25,878	6	3,500	28,702	6	0	5,870	6	3,500	28,702	
7	3,500	31,141	7	3,500	35,100	7	0	6,398	7	3,500	35,100	
8	3,500	36,720	8	3,500	42,074	8	0	6,974	8	3,500	42,074	
9	3,500	42,633	9	3,500	49,675	9	0	7,602	9	3,500	49,675	
10	3,500	48,901	10	3,500	57,961	10	0	8,286	10	3,500	57,961	
11	3,500	55,545	11	3,500	66,993	11	0	9,031	11	3,500	66,993	
12	3,500	62,587	12	3,500	76,837	12	3,500	13,659	12	3,500	76,837	
13	3,500	70,053	13	3,500	87,567	13	3,500	18,704	13	3,500	87,567	
14	3,500	77,966	14	3,500	99,263	14	3,500	24,202	14	3,500	99,263	
15	3,500	86,354	15	3,500	112,012	15	3,500	30,195	15	3,500	112,012	
16	3,500	95,245	16	3,500	125,908	16	3,500	36,728	16	3,500	125,908	
17	3,500	104,670	17	3,500	141,055	17	3,500	43,848	17	3,500	141,055	
18	3,500	114,660	18	3,500	157,565	18	3,500	51,610	18	3,500	157,565	
19	3,500	125,250	19	3,500	175,560	19	3,500	60,069	19	3,500	175,560	
20	3,500	136,475	20	3,500	195,176	20	3,500	69,291	20	3,500	195,176	
21	3,500	148,373	21	3,500	216,557	21	3,500	79,342	21	3,500	216,557	
22	3,500	160,985	22	3,500	239,862	22	3,500	90,298	22	3,500	239,862	
23	3,500	174,355	23	3,500	265,264	23	3,500	102,239	23	3,500	265,264	
24	3,500	188,526	24	3,500	292,953	24	3,500	115,256	24	3,500	292,953	
25	3,500	203,547	25	3,500	323,134	25	3,500	129,444	25	3,500	323,134	
26	3,500	219,470	26	3,500	356,031	26	3,500	144,909	26	3,500	356,031	
27	3,500	236,348	27	3,500	391,889	27	3,500	161,766	27	3,500	391,889	
28	3,500	254,239	28	3,500	430,974	28	3,500	180,140	28	3,500	430,974	
29	3,500	273,204	29	3,500	473,576	29	3,500	200,167	29	3,500	473,576	
30	3,500	293,306	30	3,500	520,013	30	3,500	221,997	30	0	516,198	
31	3,500	314,614	31	3,500	570,629	31	3,500	245,792	31	0	562,656	
32	3,500	337,201	32	3,500	625,801	32	3,500	271,728	32	0	613,295	
33	3,500	361,143	33	3,500	685,938	33	3,500	299,999	33	0	668,492	
34	3,500	386,522	34	3,500	751,488	34	3,500	330,814	34	0	728,656	
35	3,500	413,423	35	3,500	822,937	35	3,500	364,402	35	0	794,235	
36	3,500	441,938	36	3,500	900,816	36	3,500	401,013	36	0	865,716	
37	3,500	472,165	37	3,500	985,704	37	3,500	440,919	37	0	943,631	
38	3,500	504,205	38	3,500	1,078,233	38	3,500	484,417	38	0	1,028,557	
39	3,500	538,167	39	3,500	1,179,089	39	3,500	531,830	39	0	1,121,128	
40	3,500	574,167	40	3,500	1,289,022	40	3,500	583,509	40	3,500	1,225,844	
total contributions		140,000	contributions		140,000	contributions		105,000	contributions		105,000	
total returns		434,167	returns		1,149,022	returns		478,509	returns		1,120,844	
<b>Note: total returns are forever tax-free if withdrawn after age 59 1/2</b>						missed contributions early in the cycle are significant			missed contributions late in the cycle have limited importance			
						missed contributions early (35,000) resulted in eventual capital being reduced by \$670K!						