

**DENNIS CORPORATION
PROJECTED FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM
JANUARY 1, 2007 TO
DECEMBER 31, 2007**

DENNIS CORPORATION
COLUMBIA, SOUTH CAROLINA

CONTENTS

	<u>PAGE</u>
ACCOUNTANTS' COMPILATION REPORT	1
PROJECTED FINANCIAL STATEMENTS	
Projected balance sheets under the hypothetical assumptions in the notes to projected financial statements	2
Projected statements of operations under the hypothetical assumptions in the notes to projected financial statements	3
Projected statements of cash flows under the hypothetical assumptions in the notes to projected financial statements	4
NOTES TO PROJECTED FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES	5 - 7

ACCOUNTANTS' COMPILATION REPORT

Dennis Corporation
Columbia, South Carolina

We have compiled the accompanying projected balance sheets, statements of operations, and cash flows of Dennis Corporation as of and for the period from January 1, 2007 to December 31, 2007 in accordance with standards established by the American Institute of Certified Public Accountants.

The accompanying projections prepared under the hypothetical assumptions in the notes to projected financial statements and this report were prepared in connection with an application for a loan through South Carolina Bank and Trust and should not be used for any other purpose. Furthermore, the projections are highly dependent on the Company's ability to achieve the projected sales levels and projected equity and debt financing as reflected in the hypothetical assumptions.

A compilation is limited to presenting in the form of a projection, information that is the representation of management and **does not include evaluation of the support for the assumptions underlying the projection.** We have not examined the projections and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. Furthermore, even if the hypothetical assumptions described in Note 1 materialize, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Elliott Davis, LLC

January 22, 2007

DENNIS CORPORATION
PROJECTED BALANCE SHEETS
FOR THE PERIOD FROM
JANUARY 1, 2007 TO DECEMBER 31, 2007

	Projected January 31, 2007	Projected February 28, 2007	Projected March 31, 2007	Projected April 30, 2007	Projected May 31, 2007	Projected June 30, 2007	Projected July 31, 2007	Projected August 31, 2007	Projected September 30, 2007	Projected October 31, 2007	Projected November 30, 2007	Projected December 31, 2007
ASSETS												
Cash and cash equivalents	\$ 500,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
Accounts receivable, net												
Total current assets	500,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Property, plant & equipment	638,154	648,154	673,154	698,154	721,154	744,154	767,154	767,154	767,154	767,154	767,154	767,154
Accumulated depreciation	(79,031)	(93,484)	(107,937)	(122,390)	(136,843)	(151,296)	(165,749)	(180,202)	(194,655)	(209,108)	(223,561)	(238,014)
Property, plant & equipment, net	559,123	554,670	565,217	575,764	584,311	592,858	601,405	586,952	572,499	558,046	543,593	529,140
Total assets	\$ 1,059,123	\$ 1,154,670	\$ 1,165,217	\$ 1,175,764	\$ 1,184,311	\$ 1,192,858	\$ 1,201,405	\$ 1,186,952	\$ 1,172,499	\$ 1,158,046	\$ 1,143,593	\$ 1,129,140
LIABILITIES												
Accounts payable	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Current portion of long-term debt	67,854	68,349	68,844	69,339	70,393	72,010	74,194	76,391	78,601	80,824	83,060	85,304
Notes payable - stockholder	86,633	81,633	76,633	71,633	66,633	61,633	54,133	46,633	39,133	31,633	24,133	16,633
Line of credit	200,000	280,614	275,834	271,132	241,427	211,830	184,721	157,361	129,692	101,657	73,360	81,731
Total current liabilities	404,487	480,596	471,311	462,104	428,453	395,473	363,048	330,385	297,426	264,114	230,553	223,418
Deferred income taxes	54,576	66,099	77,776	89,422	101,069	112,674	124,284	135,992	147,821	159,792	171,866	173,639
Long-term debt	387,982	377,874	367,766	357,658	369,991	381,761	392,964	381,154	369,330	357,493	345,643	333,780
Total long-term liabilities	442,558	443,973	445,542	447,080	471,060	494,435	517,248	517,146	517,151	517,285	517,509	507,419
Total liabilities	847,045	924,569	916,853	909,184	899,513	889,908	880,296	847,531	814,577	781,399	748,062	730,837
STOCKHOLDERS' EQUITY												
Common stock	131,500	131,500	131,500	131,500	131,500	131,500	131,500	131,500	131,500	131,500	131,500	131,500
Retained earnings	80,578	98,601	116,864	135,080	153,298	171,450	189,609	207,921	226,422	245,147	264,031	266,803
Total stockholders' equity	212,078	230,101	248,364	266,580	284,798	302,950	321,109	339,421	357,922	376,647	395,531	398,303
Total liabilities and stockholders' equity	\$ 1,059,123	\$ 1,154,670	\$ 1,165,217	\$ 1,175,764	\$ 1,184,311	\$ 1,192,858	\$ 1,201,405	\$ 1,186,952	\$ 1,172,499	\$ 1,158,046	\$ 1,143,593	\$ 1,129,140

See accountants' compilation report and notes to projected financial statements and summary of significant projection assumptions and accounting policies.

DENNIS CORPORATION
PROJECTED STATEMENTS OF OPERATIONS
FOR THE PERIOD FROM
JANUARY 1, 2007 TO DECEMBER 31, 2007

	Projected January 31, 2007	Projected February 28, 2007	Projected March 31, 2007	Projected April 30, 2007	Projected May 31, 2007	Projected June 30, 2007	Projected July 31, 2007	Projected August 31, 2007	Projected September 30, 2007	Projected October 31, 2007	Projected November 30, 2007	Projected December 31, 2007	Projected 2007
	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 2,400,000
Operating Revenue	3,353	3,353	3,353	3,353	3,353	3,353	3,353	3,353	3,353	3,353	3,353	3,353	40,236
Operating Expenses													
Automobile expense	185	185	185	185	185	185	185	185	185	185	185	185	1,850
Bank service charges and fees	29,826	29,826	29,826	29,826	29,826	29,826	29,826	29,826	29,826	29,826	29,826	29,826	357,912
Contract labor	346	346	346	346	346	346	346	346	346	346	346	346	4,152
Contributions	593	593	593	593	593	593	593	593	593	593	593	593	7,116
Dues and subscriptions	836	836	836	836	836	836	836	836	836	836	836	836	10,032
Gifts	5,558	5,558	5,558	5,558	5,558	5,558	5,558	5,558	5,558	5,558	5,558	5,558	66,696
Insurance	175	175	175	175	175	175	175	175	175	175	175	175	2,100
Internet	397	397	397	397	397	397	397	397	397	397	397	397	4,764
Lab testing	564	564	564	564	564	564	564	564	564	564	564	564	6,768
Leased equipment	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	12,696
Marketing and advertising	1,079	1,079	1,079	1,079	1,079	1,079	1,079	1,079	1,079	1,079	1,079	1,079	12,948
Meals and entertainment	498	498	498	498	498	498	498	498	498	498	498	498	5,976
Miscellaneous expenses and fees	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	25,968
Office supplies	87,421	87,421	87,421	87,421	87,421	87,421	87,421	87,421	87,421	87,421	87,421	87,421	1,064,052
Payroll	162	162	162	162	162	162	162	162	162	162	162	162	1,944
Postage and delivery	98	98	98	98	98	98	98	98	98	98	98	98	1,176
Printing and reproduction	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	25,932
Professional development	332	332	332	332	332	332	332	332	332	332	332	332	3,984
Professional fees	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Reimbursed expenses - employees	2,127	2,127	2,127	2,127	2,127	2,127	2,127	2,127	2,127	2,127	2,127	2,127	25,524
Rent	5,729	5,729	5,729	5,729	5,729	5,729	5,729	5,729	5,729	5,729	5,729	5,729	68,748
Supplies	543	543	543	543	543	543	543	543	543	543	543	543	6,516
Survey expenses	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	16,440
Taxes and licenses	62	62	62	62	62	62	62	62	62	62	62	62	744
Telephone and fax	828	828	828	828	828	828	828	828	828	828	828	828	9,936
Telephone and fax	460	460	460	460	460	460	460	460	460	460	460	460	5,520
Training and certification	451	451	451	451	451	451	451	451	451	451	451	451	5,412
Travel	173,376	173,376	173,376	173,376	173,376	173,376	173,376	173,376	173,376	173,376	173,376	173,376	2,080,800
Operating expenses	48,624	48,624	48,624	48,624	48,624	48,624	48,624	48,624	48,624	48,624	48,624	48,624	584,064
Net operating revenues over expenses	26,624	26,624	26,624	26,624	26,624	26,624	26,624	26,624	26,624	26,624	26,624	26,624	320,172
OTHER (INCOME) EXPENSE													
Interest expense	4,614	4,677	4,283	4,361	4,358	4,466	4,454	4,203	3,893	3,527	3,265	3,096	49,197
Interest income	(52)	(52)	(52)	(52)	(52)	(52)	(52)	(52)	(52)	(52)	(52)	(52)	(624)
Depreciation	14,453	14,453	14,453	14,453	14,453	14,453	14,453	14,453	14,453	14,453	14,453	14,453	173,436
Total other expenses	19,015	19,078	18,684	18,762	18,759	18,867	18,655	18,604	18,294	17,928	17,666	17,497	222,009
Income before income taxes	7,609	29,546	29,940	29,862	29,865	29,757	29,769	30,020	30,330	30,696	30,958	4,545	312,897
PROVISION FOR INCOME TAXES	2,968	11,523	11,677	11,646	11,647	11,605	11,610	11,708	11,829	11,971	12,074	1,773	122,031
Net income	4,641	18,023	18,263	18,216	18,218	18,152	18,159	18,312	18,501	18,725	18,884	2,772	190,866

See accountants' compilation report and notes to projected financial statements and summary of significant projection assumptions and accounting policies.

DENNIS CORPORATION
PROJECTED STATEMENTS OF CASH FLOWS
FOR THE PERIOD FROM
JANUARY 1, 2007 TO DECEMBER 31, 2007

	Projected January 31, 2007	Projected February 28, 2007	Projected March 31, 2007	Projected April 30, 2007	Projected May 31, 2007	Projected June 30, 2007	Projected July 31, 2007	Projected August 31, 2007	Projected September 30, 2007	Projected October 31, 2007	Projected November 30, 2007	Projected December 31, 2007	Projected 2007
OPERATING ACTIVITIES													
Net income	\$ 4,641	\$ 18,023	\$ 18,263	\$ 18,216	\$ 18,216	\$ 18,152	\$ 18,159	\$ 18,312	\$ 18,501	\$ 18,725	\$ 18,884	\$ 2,772	\$ 190,866
Depreciation expense	14,453	14,453	14,453	14,453	14,453	14,453	14,453	14,453	14,453	14,453	14,453	14,453	171,436
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income taxes	2,968	11,523	11,677	11,646	11,646	11,605	11,610	11,708	11,829	11,971	12,074	1,773	122,031
Changes in deferred and accrued amounts:													
Accounts receivable, net	(81,377)	(100,000)	-	-	-	-	-	-	-	-	-	-	(181,377)
Accounts payable and accrued expenses	(224,365)	-	-	-	-	-	-	-	-	-	-	-	(224,363)
Net cash provided by (used for) operations	(283,678)	(56,001)	44,393	44,315	44,318	44,210	44,222	44,473	44,783	45,149	45,411	18,998	80,593
INVESTING ACTIVITIES													
Purchases of property and equipment	-	(10,000)	(25,000)	(25,000)	(23,000)	(23,000)	(23,000)	-	-	-	-	-	(129,000)
Net cash used for investing activities	-	(10,000)	(25,000)	(25,000)	(23,000)	(23,000)	(23,000)	-	-	-	-	-	(129,000)
FINANCING ACTIVITIES													
Payments on notes payable to stockholder	1,924	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(68,076)
Payments on notes payable to bank	(5,613)	(9,613)	(9,613)	(9,613)	(9,613)	(9,613)	(9,613)	(9,613)	(9,614)	(9,614)	(9,614)	(19,869)	(121,615)
Proceeds from new notes payable	-	-	-	-	23,000	23,000	23,000	-	-	-	-	-	69,000
Proceeds (payments) on bank line of credit	200,000	80,614	(4,780)	(4,702)	(29,705)	(29,597)	(27,109)	(27,360)	(27,669)	(28,035)	(28,297)	8,371	81,731
Net cash provided by (used for) financing activities	196,311	66,001	(19,393)	(19,315)	(21,318)	(21,210)	(21,222)	(44,473)	(44,783)	(45,149)	(45,411)	(18,998)	(38,960)
Net increase (decrease) in cash and cash equivalents	(87,367)	-	-	-	-	-	-	-	-	-	-	-	(87,367)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	\$ 87,367	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CASH PAID FOR:													
Interest	\$ 4,614	\$ 4,677	\$ 4,283	\$ 4,361	\$ 4,358	\$ 4,466	\$ 4,454	\$ 4,203	\$ 3,893	\$ 3,527	\$ 3,165	\$ 3,096	\$ 49,197

See accountants' compilation report and notes to projected financial statements and summary of significant projection assumptions and accounting policies.

DENNIS CORPORATION
NOTES TO PROJECTED FINANCIAL STATEMENTS AND
SUMMARY OF SIGNIFICANT PROJECTION
ASSUMPTIONS AND ACCOUNTING POLICIES

NOTE 1 - NATURE AND LIMITATIONS OF PROJECTIONS

The accompanying projections assume that Dennis Corporation (the "Company") attains the projected levels of debt financing and revenue volume. These financial projections present, to the best of management's knowledge and belief the Company's expected financial position, results of operations, and cash flows for the period from January 1, 2007 to December 31, 2007 if the Company attains the projected level of debt financing and revenue volume. Accordingly, the projections reflect management's judgment as of January 22 2007, the date of these projections, of the expected conditions, and its expected course of action given these hypothetical assumptions.

The presentation is designed to assist prospective lenders in evaluating the Company for financing alternatives and should not be considered to be a presentation of expected future results. Accordingly, these projections may not be useful for other purposes. The assumptions disclosed herein are those that management believes are significant to the projections. Furthermore, even if the projected levels of revenue volume and debt financing are attained, there will usually be differences between projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

NOTE 2 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of business

The Company was established on June 13, 2005 as a civil engineering and survey firm specializing in transportation engineering, survey, construction services, civil infrastructure, traffic engineering and construction inspection and testing primarily in South Carolina.

Basis of accounting

The projected financial statements are prepared on the accrual basis of accounting.

Cash and cash equivalents

For purposes of reporting cash flows, the Company considers all liquid non-equity investments with an original maturity of three months or less to be cash equivalents.

Property and equipment

Property and equipment is stated at cost. Major improvements to existing property and equipment are capitalized. Expenditures for maintenance and repairs which do not extend the useful life of the applicable assets are expensed. Depreciation is based on estimated useful lives and is computed using straight-line methods.

Income taxes

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards (SFAS) No. 109, *Accounting for Income Taxes*. Under SFAS No. 109, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized. Income tax expense is the tax payable (refundable) for the period and the change during the period in deferred tax assets and liabilities.

(Continued)

NOTE 2 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,

Continued

Advertising costs

Costs incurred for advertising are generally expensed when incurred.

Revenue recognition

Revenue is recognized from performing services as the services are performed.

Concentrations of credit risk

Financial instruments which potentially subject the Company to concentrations of credit risks consist principally of temporary cash investments and trade accounts receivable. The Company's cash balances are placed with a high credit quality financial institution. At times, the Company may have cash on deposit with a financial institution in excess of amounts covered by the Federal Deposit Insurance Corporation (FDIC). The Company generally does not require collateral to support trade accounts receivable, however, subject to state laws, the Company has the right to place a mechanics lien on certain work if the collectability of the related receivable is in doubt.

NOTE 3 - REVENUES

Revenue projections are based on annual revenue of \$2,400,000 per year, which is management's best estimate of revenues from current backlog and anticipated new work for 2007.

Projected accounts receivable assumes production periods, payment terms and collection cycles averaging ninety days of revenues.

NOTE 4 - OPERATING EXPENSES

Management has projected most operating expenses to remain the same as 2006, except as follows:

Depreciation is based on equipment and vehicles owned at December 31, 2006, plus additional equipment acquisitions in 2007 of \$30,000 of furniture, three trucks at \$23,000 each, and three computer workstations at \$10,000 each.

Rent expense is projected based on the Company's current lease and agreement for expansion space for a total of approximately 5,000 square feet at \$13.75 per square foot, for an annual amount of \$68,750.

Payroll and contract labor expenses are based on average expenses for the last three months of 2006, with anticipated bonuses paid in December 2007.

Interest expense is based on projected amounts of outstanding debt as outlined in Note 5.

Income tax expense is projected based on income before taxes using a combined federal and state tax rate of 39%.

Projected professional fees include additional accounting fees incurred in the month of January 2007, related to 2006, as well as monthly fees for out-sourced accounting assistance.

NOTE 5 - NOTES PAYABLE / LINE OF CREDIT

Projected notes payable assume the Company services all debt in existence at December 31, 2006, plus new bank loans to acquire three vehicles in the spring of 2007 at \$23,000 each with payment terms over five years at an interest rate of 9% per year. Debt service includes repayment of a related party note at the rate of \$4,000 per month.

Projected lines of credit assume the Company will obtain a revolving line of credit with a bank, collateralized by accounts receivable, inventory and equipment, totaling \$300,000, with a projected interest rate of prime plus one-half percent.

NOTE 9 - SHAREHOLDER LOANS

The Company projects to repay the shareholder loan at a rate of \$5,000 per month, starting in January and increasing to \$7,500 per month in July.