

Draft - For Settlement Purposes Only

"CAPITAL - LABOR APPORTIONMENT MODEL"
 APPORTIONING SEPARATE AND COMMUNITY PROPERTY IN CLAMCO

Year	Value of Business Beginning Period	[1] Rate of Return	Annual Income Allocation Base in \$'s							Net Annual Separate Income From Capital	Beginning Separate Capital	Ending Separate Capital	Beginning Community Capital	Ending Community Capital	Ending Total Account Balance	
			Return On	Reasonable Compensation (Labor Factor)	Total Allocation Base (Capital + Labor)	Percent of Annual Income Allocation Base Attributable To:		Increase (Decrease) in Value	Annual Income Allocated To:							
			Average Capital (Capital Factor)			Capital	Labor		Capital							Labor
			(A x B)	D	E (C + D)	F (C / E)	G (D / E)	H	I (F x H)							J (G x H)
08/15/99	\$ 6,375,000		\$ 0	\$ -	\$ 0	100.00%	0.00%	\$ -	\$ -	\$ -	\$ -	\$ 6,375,000	\$ 6,375,000	\$ -	\$ -	\$ 6,375,000
1999	6,375,000	7.05%	449,438	27,225	476,663	94.29%	5.71%	4,958,333	4,675,134	283,200	4,675,134	6,375,000	11,050,134	-	283,200	11,333,333
2000	11,333,333	7.62%	863,600	247,829	1,111,429	77.70%	22.30%	4,958,333	3,852,713	1,105,621	3,852,713	11,050,134	14,902,846	283,200	1,388,820	16,291,667
2001	16,291,667	7.08%	1,153,450	248,108	1,401,558	82.30%	17.70%	4,958,333	4,080,594	877,739	4,080,594	14,902,846	18,983,441	1,388,820	2,266,559	21,250,000
2002	21,250,000	6.49%	1,379,125	274,732	1,653,857	83.39%	16.61%	9,808,447	8,179,108	1,629,339	8,179,108	18,983,441	27,162,548	2,266,559	3,895,899	31,058,447
2003	31,058,447	5.66%	1,757,908	558,417	2,316,325	75.89%	24.11%	9,808,447	7,443,838	2,364,609	7,443,838	27,162,548	34,606,386	3,895,899	6,260,508	40,866,894
2004	40,866,894	5.63%	2,300,806	838,165	3,138,971	73.30%	26.70%	9,808,447	7,189,405	2,619,042	7,189,405	34,606,386	41,795,791	6,260,508	8,879,550	50,675,340
2005	50,675,340	5.23%	2,650,320	762,706	3,413,026	77.65%	22.35%	9,808,447	7,616,562	2,191,885	7,616,562	41,795,791	49,412,353	8,879,550	11,071,435	60,483,787
04/30/06	60,483,787	5.59%	3,381,044	637,482	4,018,526	84.14%	15.86%	3,266,213	2,748,075	518,138	2,748,075	49,412,353	52,160,427	11,071,435	11,589,573	63,750,000
12/31/06	63,750,000	5.59%	3,563,625	549,467	4,113,092	86.64%	13.36%	53,684,211	46,512,550	7,171,661	46,512,550	52,160,427	98,672,977	11,589,573	18,761,234	117,434,211
02/14/07	117,434,211	5.31%	6,235,757	980,607	7,216,364	86.41%	13.59%	10,065,789	8,697,984	1,367,806	8,697,984	98,672,977	107,370,960	18,761,234	20,129,040	127,500,000
			\$ 23,735,072	\$ 5,124,738	\$ 28,859,810			\$ 121,125,000	\$ 100,995,960	\$ 20,129,040	\$ 100,995,960		84%		16%	100%

[1] - Rates were calculated based on Historical Prices of AAA Bonds.