

Proposed
New Comparability Cash Balance Plan
FOR THE PLAN YEAR 01/01/2007 THROUGH 12/31/2007

Cross-tested Cash Balance Plan PLUS Profit Sharing Plan WITH 401(k) Deferrals permitted.

- Top-Heavy Minimum Benefit requirement is met in Profit Sharing Plan (total Employer contribution at least 5% allocation).
- Safe-Harbor 401(k) ADP test is met in Profit Sharing Plan (Non-Elective Safe Harbor contribution at least 3% allocation).
- Gateway test for Cash Balance Plan Cross-testing is met by Profit Sharing Plan + Cash Balance Plan (at least 7.5% allocation).
- Total contribution (Cash Balance Plan PLUS Profit Sharing Plan) is less than the 25% of Covered Payroll deductibility limit.

| EMPLOYEE NAME | SEX | DATE | DATE | PLAN CONSIDERED COMPENSATN | AGE | PS | TS | RA | CASH BALANCE HYPOTHETICAL ALLOCATION | | PROFIT SHARING ALLOCATION | | NON-ELECTIVE SAFE HARBOR ALLOCATION | | 401(k) ALLOCATION | | CATCH UP 401(k) ALLOCATION | | TOTAL EMPLOYEE ALLOCATION | |
|--------------------|-----|-------------|-------------|----------------------------------|-----|----|----|----|--|-------|---------------------------------|------|---|------|----------------------|------|----------------------------------|------|---------------------------------|-------|
| | | OF BIRTH | OF HI RE | | | | | | AMOUNT | % | AMOUNT | % | AMOUNT | % | AMOUNT | % | AMOUNT | % | AMOUNT | % |
| Age 45 owner-1 | M | 07/01/62 | 01/01/02 | 225,000 | 45 | 6 | 23 | 62 | 93,596 | 41.60 | 6,750 | 3.00 | 6,750 | 3.00 | 15,500 | 6.89 | 0 | 0.00 | 122,596 | 54.49 |
| Age 35 employee-01 | M | 07/01/72 | 01/01/06 | 35,000 | 35 | 2 | 29 | 62 | 8,750 | 25.00 | 1,050 | 3.00 | 1,050 | 3.00 | 0 | 0.00 | 0 | 0.00 | 10,850 | 31.00 |
| Age 45 employee-01 | M | 07/01/62 | 01/01/06 | 45,000 | 45 | 2 | 19 | 62 | 11,250 | 25.00 | 1,350 | 3.00 | 1,350 | 3.00 | 0 | 0.00 | 0 | 0.00 | 13,950 | 31.00 |
| TOTALS: | | | | 305,000 | | | | | 113,596 | | 9,150 | | 9,150 | | 15,500 | | 0 | | 147,396 | |

404 Deductibility Limit is satisfied if either:

1. Cash Balance Plan + Profit Sharing + Safe Harbor <= 25% of Covered Payroll:

$$(113,596 + 9,150 + 9,150) = 131,896 <= 76,250$$

OR 2. Profit Sharing + Safe Harbor <= 6% of Covered Payroll:

$$(9,150 + 9,150) = 18,300 <= 18,300$$

NOTE: Cash Balance Plan is NOT Cross-Tested with 401(k) Plan, so 401(k) Plan is OPTIONAL, not required.