

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 (generally at least 7.5% allocation, but may be lower).
- Total contribution (Cash Balance Plan PLUS Profit Sharing Plan) is less than the 25% of Covered Payroll total deductibility limit OR Profit Sharing Plan is less than 6% of Covered Payroll deductibility limit.

| EMPLOYEE NAME | SEX | DATE OF BIRTH | DATE OF HI RE | PLAN CONSIDERED | CASH BALANCE HYPOTHETICAL ALLOCATION | | | | PROFIT SHARING ALLOCATION | | NON-ELECTIVE SAFE HARBOR ALLOCATION | | 401(k) ALLOCATION | | CATCH UP 401(k) ALLOCATION | | TOTAL EMPLOYEE ALLOCATION | | | |
|--------------------|-----|---------------|---------------|-----------------|--------------------------------------|---|--------|----|---------------------------|-------|-------------------------------------|-------|-------------------|------|----------------------------|------|---------------------------|------|---------|-------|
| | | | | | AMOUNT | % | AMOUNT | % | AMOUNT | % | AMOUNT | % | AMOUNT | % | AMOUNT | % | AMOUNT | % | | |
| Age 55 owner-1 | M | 07/01/52 | 01/01/02 | 225,000 | 55 | 6 | 13 | 62 | 153,926 | 68.41 | 0 | 0.00 | 0 | 0.00 | 15,500 | 6.89 | 5,000 | 2.22 | 174,426 | 77.52 |
| Age 65 employee-01 | M | 07/01/42 | 01/01/06 | 65,000 | 65 | 2 | 4 | 68 | 16,250 | 25.00 | 14,950 | 23.00 | 1,950 | 3.00 | 0 | 0.00 | 0 | 0.00 | 33,150 | 51.00 |
| TOTALS: | | | | 290,000 | | | | | 170,176 | | 14,950 | | 1,950 | | 15,500 | | 5,000 | | 207,576 | |

404 Deductibility Limit is satisfied if either:

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

$$(170,176 + 14,950 + 1,950) = 187,076 <= 72,500$$

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

$$(14,950 + 1,950) = 16,900 <= 17,400$$

NOTE: Cash Balance Plan is Cross-Tested with 401(k) Plan, so 401(k) Plan is REQUIRED, not optional.