

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

Cash Balance Plan PLUS OPTIONAL Profit Sharing Plan WITH 401(k) Deferrals permitted.

- Top-Heavy Minimum Benefit requirement is met in Cash Balance Plan.
- Safe-Harbor 401(k) ADP test is met in Profit Sharing Plan (Non-Elective Safe Harbor contribution at least 3% allocation).
- 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	%	AMOUNT	%	AMOUNT	%						
Age 35 owner-1	M	07/01/72	01/01/02	225,000	35	6	33	62	56,995	25.33	6,750	3.00	6,750	3.00	15,500	6.89	0	0.00	85,995	38.22								
Age 20 employee-01	M	07/01/87	01/01/06	20,000	20	2	44	62	2,400	12.00	600	3.00	600	3.00	0	0.00	0	0.00	3,600	18.00								
Age 20 employee-02	M	07/01/87	01/01/06	20,000	20	2	44	62	2,400	12.00	600	3.00	600	3.00	0	0.00	0	0.00	3,600	18.00								
Age 20 employee-03	M	07/01/87	01/01/06	20,000	20	2	44	62	2,400	12.00	600	3.00	600	3.00	0	0.00	0	0.00	3,600	18.00								
Age 25 employee-01	M	07/01/82	01/01/06	25,000	25	2	39	62	3,000	12.00	750	3.00	750	3.00	0	0.00	0	0.00	4,500	18.00								
Age 25 employee-02	M	07/01/82	01/01/06	25,000	25	2	39	62	3,000	12.00	750	3.00	750	3.00	0	0.00	0	0.00	4,500	18.00								
Age 30 employee-01	M	07/01/77	01/01/06	30,000	30	2	34	62	3,600	12.00	900	3.00	900	3.00	0	0.00	0	0.00	5,400	18.00								
Age 30 employee-02	M	07/01/77	01/01/06	30,000	30	2	34	62	3,600	12.00	900	3.00	900	3.00	0	0.00	0	0.00	5,400	18.00								
Age 35 employee-01	M	07/01/72	01/01/06	35,000	35	2	29	62	4,200	12.00	1,050	3.00	1,050	3.00	0	0.00	0	0.00	6,300	18.00								
Age 35 employee-02	M	07/01/72	01/01/06	35,000	35	2	29	62	4,200	12.00	1,050	3.00	1,050	3.00	0	0.00	0	0.00	6,300	18.00								
Age 40 employee-01	M	07/01/67	01/01/06	40,000	40	2	24	62	4,800	12.00	1,200	3.00	1,200	3.00	0	0.00	0	0.00	7,200	18.00								
TOTALS:				505,000					90,595		15,150		15,150		15,500		0		136,395									

404 Deductibility Limit is satisfied if either:

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

$$(90,595 + 15,150 + 15,150) = 120,895 <= 126,250$$

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

$$(15,150 + 15,150) = 30,300 <= 30,300$$

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