

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	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 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 40 employee-01	M	07/01/67	01/01/06	40,000	40	2	24	62	7,600	19.00	1,200	3.00	1,200	3.00	0	0.00	0	0.00	10,000	25.00
Age 40 employee-02	M	07/01/67	01/01/06	40,000	40	2	24	62	7,600	19.00	1,200	3.00	1,200	3.00	0	0.00	0	0.00	10,000	25.00
Age 45 employee-01	M	07/01/62	01/01/06	45,000	45	2	19	62	8,550	19.00	1,350	3.00	1,350	3.00	0	0.00	0	0.00	11,250	25.00
Age 45 employee-02	M	07/01/62	01/01/06	45,000	45	2	19	62	8,550	19.00	1,350	3.00	1,350	3.00	0	0.00	0	0.00	11,250	25.00
Age 50 employee-01	M	07/01/57	01/01/06	50,000	50	2	14	62	9,500	19.00	1,500	3.00	1,500	3.00	0	0.00	0	0.00	12,500	25.00
TOTALS:				445,000					98,795		13,350		13,350		15,500		0		140,995	

404 Deductibility Limit is satisfied if either:

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

$$(98,795 + 13,350 + 13,350) = 125,495 <= 111,250$$

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

$$(13,350 + 13,350) = 26,700 <= 26,700$$

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