

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		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			
		OF BIRTH	OF HI RE		AMOUNT	%	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 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 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
TOTALS:				345,000				107,996		10,350		10,350		15,500		0		144,196		

404 Deductibility Limit is satisfied if either:

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

$$(107,996 + 10,350 + 10,350) = 128,696 <= 86,250$$

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

$$(10,350 + 10,350) = 20,700 <= 20,700$$

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