

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	%		
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	3,000	15.00	600	3.00	600	3.00	0	0.00	0	0.00	4,200	21.00
Age 25 employee-01	M	07/01/82	01/01/06	25,000	25	2	39	62	3,750	15.00	750	3.00	750	3.00	0	0.00	0	0.00	5,250	21.00
Age 45 employee-01	M	07/01/62	01/01/06	45,000	45	2	19	62	6,750	15.00	1,350	3.00	1,350	3.00	0	0.00	0	0.00	9,450	21.00
Age 50 employee-01	M	07/01/57	01/01/06	50,000	50	2	14	62	7,500	15.00	1,500	3.00	1,500	3.00	0	0.00	0	0.00	10,500	21.00
Age 55 employee-01	M	07/01/52	01/01/06	55,000	55	2	9	62	9,913	18.02	1,650	3.00	1,650	3.00	0	0.00	0	0.00	13,213	24.02
TOTALS:				420,000					124,509		12,600		12,600		15,500		0		165,209	

404 Deductibility Limit is satisfied if either:

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

$$(124,509 + 12,600 + 12,600) = 149,709 <= 105,000$$

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

$$(12,600 + 12,600) = 25,200 <= 25,200$$

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