

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	%	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 40 employee-01	M	07/01/67	01/01/06	40,000	40	2	24	62	13,600	34.00	1,200	3.00	1,200	3.00	0	0.00	0	0.00	16,000	40.00								
Age 45 employee-01	M	07/01/62	01/01/06	45,000	45	2	19	62	15,300	34.00	1,350	3.00	1,350	3.00	0	0.00	0	0.00	18,000	40.00								
Age 45 employee-02	M	07/01/62	01/01/06	45,000	45	2	19	62	15,300	34.00	1,350	3.00	1,350	3.00	0	0.00	0	0.00	18,000	40.00								
Age 50 employee-01	M	07/01/57	01/01/06	50,000	50	2	14	62	17,000	34.00	1,500	3.00	1,500	3.00	0	0.00	0	0.00	20,000	40.00								
Age 50 employee-02	M	07/01/57	01/01/06	50,000	50	2	14	62	17,000	34.00	1,500	3.00	1,500	3.00	0	0.00	0	0.00	20,000	40.00								
Age 55 employee-01	M	07/01/52	01/01/06	55,000	55	2	9	62	18,700	34.00	1,650	3.00	1,650	3.00	0	0.00	0	0.00	22,000	40.00								
Age 55 employee-02	M	07/01/52	01/01/06	55,000	55	2	9	62	18,700	34.00	1,650	3.00	1,650	3.00	0	0.00	0	0.00	22,000	40.00								
Age 60 employee-01	M	07/01/47	01/01/06	60,000	60	2	4	63	20,400	34.00	1,800	3.00	1,800	3.00	0	0.00	0	0.00	24,000	40.00								
Age 60 employee-02	M	07/01/47	01/01/06	60,000	60	2	4	63	20,400	34.00	1,800	3.00	1,800	3.00	0	0.00	0	0.00	24,000	40.00								
Age 65 employee-01	M	07/01/42	01/01/06	65,000	65	2	4	68	22,100	34.00	1,950	3.00	1,950	3.00	0	0.00	0	0.00	26,000	40.00								
TOTALS:				750,000				272,096		22,500		22,500		15,500		0		332,596										

404 Deductibility Limit is satisfied if either:

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

$$( 272,096 + 22,500 + 22,500 ) = 317,096 <= 187,500$$

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

$$( 22,500 + 22,500 ) = 45,000 <= 45,000$$

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