

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 55 owner-1	M	07/01/52	01/01/02	225,000	55	6	13	62	153,926	68.41	6,750	3.00	6,750	3.00	15,500	6.89	5,000	2.22	187,926	83.52
Age 45 employee-01	M	07/01/62	01/01/06	45,000	45	2	19	62	18,000	40.00	1,350	3.00	1,350	3.00	0	0.00	0	0.00	20,700	46.00
TOTALS:				270,000					171,926		8,100		8,100		15,500		5,000		208,626	

404 Deductibility Limit is satisfied if either:

1. Cash Balance Plan + Profit Sharing + Safe Harbor <= 25% of Covered Payroll:  
( 171,926 + 8,100 + 8,100 ) = 188,126 <= 67,500
- OR 2. Profit Sharing + Safe Harbor <= 6% of Covered Payroll:  
( 8,100 + 8,100 ) = 16,200 <= 16,200

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