

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 COMPENSATN	AGE	PS	TS	RA	CASH BALANCE HYPOTHETICAL ALLOCATI ON		PROFIT SHARING ALLOCATI ON		NON-ELECTIVE SAFE HARBOR ALLOCATI ON		401(k) ALLOCATI ON		CATCH UP 401(k) ALLOCATI ON		TOTAL EMPLOYEE ALLOCATI ON	
									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.