

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					CASH BALANCE		PROFIT		NON-ELECTIVE		401(k)		CATCH UP		TOTAL	
		OF BIRTH	OF HI RE	CONSIDERED	COMPENSATN	AGE	PS	TS	RA	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 30 employee-01	M	07/01/77	01/01/06	30,000	30	2	34	62	7,500	25.00	900	3.00	900	3.00	0	0.00	0	0.00	9,300	31.00
Age 35 employee-01	M	07/01/72	01/01/06	35,000	35	2	29	62	8,750	25.00	1,050	3.00	1,050	3.00	0	0.00	0	0.00	10,850	31.00
Age 50 employee-01	M	07/01/57	01/01/06	50,000	50	2	14	62	12,500	25.00	1,500	3.00	1,500	3.00	0	0.00	0	0.00	15,500	31.00
Age 60 employee-01	M	07/01/47	01/01/06	60,000	60	2	4	63	14,999	25.00	1,800	3.00	1,800	3.00	0	0.00	0	0.00	18,599	31.00
Age 65 employee-01	M	07/01/42	01/01/06	65,000	65	2	4	68	16,250	25.00	1,950	3.00	1,950	3.00	0	0.00	0	0.00	20,150	31.00
TOTALS:				465,000					153,595		13,950		13,950		15,500		0		196,995	

404 Deductibility Limit is satisfied if either:

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

$$(153,595 + 13,950 + 13,950) = 181,495 <= 116,250$$

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

$$(13,950 + 13,950) = 27,900 <= 27,900$$

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