

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 65 owner-1	M	07/01/42	01/01/02	225,000	65	6	10	70	203,639	90.51	6,750	3.00	6,750	3.00	15,500	6.89	5,000	2.22	237,639	105.62
Age 30 employee-01	M	07/01/77	01/01/06	30,000	30	2	37	65	9,000	30.00	900	3.00	900	3.00	0	0.00	0	0.00	10,800	36.00
Age 35 employee-01	M	07/01/72	01/01/06	35,000	35	2	32	65	10,500	30.00	1,050	3.00	1,050	3.00	0	0.00	0	0.00	12,600	36.00
Age 50 employee-01	M	07/01/57	01/01/06	50,000	50	2	17	65	15,000	30.00	1,500	3.00	1,500	3.00	0	0.00	0	0.00	18,000	36.00
Age 60 employee-01	M	07/01/47	01/01/06	60,000	60	2	7	65	18,000	30.00	1,800	3.00	1,800	3.00	0	0.00	0	0.00	21,600	36.00
Age 65 employee-01	M	07/01/42	01/01/06	65,000	65	2	6	70	19,500	30.00	1,950	3.00	1,950	3.00	0	0.00	0	0.00	23,400	36.00
TOTALS:				465,000					275,639		13,950		13,950		15,500		5,000		324,039	

404 Deductibility Limit is satisfied if either:

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

$$(275,639 + 13,950 + 13,950) = 303,539 <= 116,250$$

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.