

Proposed
New Comparability Cash Balance Plan
FOR THE PLAN YEAR 01/01/2007 THROUGH 12/31/2007

Cross-tested Cash Balance Plan PLUS Profit Sharing Plan WITH 401(k) Deferrals permitted.

- Top-Heavy Minimum Benefit requirement is met in Profit Sharing Plan (total Employer contribution at least 5% allocation).
- Safe-Harbor 401(k) ADP test is met in Profit Sharing Plan (Non-Eligible Safe Harbor contribution at least 3% allocation).
- Gateway test for Cash Balance Plan Cross-testing is met by Profit Sharing Plan + Cash Balance Plan (generally at least 7.5% allocation, but may be lower).
- 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		
				COMPENSATN	AGE	PS	TS	RA	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Age 35 owner-1	M	07/01/72	01/01/02	225,000	35	6	33	62	56,995	25.33	22,750	10.11	6,750	3.00	15,500	6.89	0	0.00	101,995	45.33
Age 20 empl oyee-01	M	07/01/87	01/01/06	20,000	20	2	44	62	100	0.50	1,100	5.50	600	3.00	0	0.00	0	0.00	1,800	9.00
Age 20 empl oyee-02	M	07/01/87	01/01/06	20,000	20	2	44	62	100	0.50	1,100	5.50	600	3.00	0	0.00	0	0.00	1,800	9.00
Age 20 empl oyee-03	M	07/01/87	01/01/06	20,000	20	2	44	62	100	0.50	1,100	5.50	600	3.00	0	0.00	0	0.00	1,800	9.00
Age 25 empl oyee-01	M	07/01/82	01/01/06	25,000	25	2	39	62	125	0.50	1,375	5.50	750	3.00	0	0.00	0	0.00	2,250	9.00
Age 25 empl oyee-02	M	07/01/82	01/01/06	25,000	25	2	39	62	125	0.50	1,375	5.50	750	3.00	0	0.00	0	0.00	2,250	9.00
Age 30 empl oyee-01	M	07/01/77	01/01/06	30,000	30	2	34	62	150	0.50	1,650	5.50	900	3.00	0	0.00	0	0.00	2,700	9.00
Age 30 empl oyee-02	M	07/01/77	01/01/06	30,000	30	2	34	62	150	0.50	1,650	5.50	900	3.00	0	0.00	0	0.00	2,700	9.00
Age 35 empl oyee-01	M	07/01/72	01/01/06	35,000	35	2	29	62	175	0.50	1,925	5.50	1,050	3.00	0	0.00	0	0.00	3,150	9.00
Age 35 empl oyee-02	M	07/01/72	01/01/06	35,000	35	2	29	62	175	0.50	1,925	5.50	1,050	3.00	0	0.00	0	0.00	3,150	9.00
Age 40 empl oyee-01	M	07/01/67	01/01/06	40,000	40	2	24	62	200	0.50	2,200	5.50	1,200	3.00	0	0.00	0	0.00	3,600	9.00
TOTALS:				505,000					58,395		38,150		15,150		15,500		0		127,195	

404 Deductibility Limit is satisfied if either:

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

$$(58,395 + 38,150 + 15,150) = 111,695 <= 126,250$$

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

$$(38,150 + 15,150) = 53,300 <= 30,300$$

NOTE: Cash Balance Plan is Cross-Tested with 401(k) Plan, so 401(k) Plan is REQUIRED, not optional.