

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-Elective Safe Harbor contribution at least 3% allocation).
- Gateway test for Cash Balance Plan Cross-testing is met by Profit Sharing Plan + Cash Balance Plan (at least 7.5% allocation).
- Total contribution (Cash Balance Plan PLUS Profit Sharing Plan) is less than the 25% 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 35 owner-1	M	07/01/72	01/01/02	225,000	35	6	33	62	56,995	25.33	6,750	3.00	6,750	3.00	15,500	6.89	0	0.00	85,995	38.22
Age 35 employee-01	M	07/01/72	01/01/06	35,000	35	2	29	62	7,000	20.00	1,050	3.00	1,050	3.00	0	0.00	0	0.00	9,100	26.00
Age 45 employee-01	M	07/01/62	01/01/06	45,000	45	2	19	62	9,000	20.00	1,350	3.00	1,350	3.00	0	0.00	0	0.00	11,700	26.00
TOTALS:				305,000					72,995		9,150		9,150		15,500		0		106,795	

404 Deductibility Limit is satisfied if either:

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

$$(72,995 + 9,150 + 9,150) = 91,295 <= 76,250$$

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

$$(9,150 + 9,150) = 18,300 <= 18,300$$

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