

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	6,750	3.00	6,750	3.00	15,500	6.89	0	0.00	85,995	38.22
Age 40 employee-01	M	07/01/67	01/01/06	40,000	40	2	24	62	200	0.50	6,320	15.80	1,200	3.00	0	0.00	0	0.00	7,720	19.30
Age 45 employee-01	M	07/01/62	01/01/06	45,000	45	2	19	62	225	0.50	7,110	15.80	1,350	3.00	0	0.00	0	0.00	8,685	19.30
Age 50 employee-01	M	07/01/57	01/01/06	50,000	50	2	14	62	250	0.50	7,900	15.80	1,500	3.00	0	0.00	0	0.00	9,650	19.30
Age 55 employee-01	M	07/01/52	01/01/06	55,000	55	2	9	62	275	0.50	8,690	15.80	1,650	3.00	0	0.00	0	0.00	10,615	19.30
Age 60 employee-01	M	07/01/47	01/01/06	60,000	60	2	4	63	300	0.50	9,480	15.80	1,800	3.00	0	0.00	0	0.00	11,580	19.30
TOTALS:				475,000					58,245		46,250		14,250		15,500		0		134,245	

404 Deductibility Limit is satisfied if either:

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

$$(58,245 + 46,250 + 14,250) = 118,745 <= 118,750$$

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

$$(46,250 + 14,250) = 60,500 <= 28,500$$

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