

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 45 owner-1	M	07/01/62	01/01/02	225,000	45	6	23	62	93,596	41.60	8,400	3.73	0	0.00	15,500	6.89	0	0.00	117,496	52.22
Age 30 employee-01	M	07/01/77	01/01/06	30,000	30	2	34	62	150	0.50	1,800	6.00	900	3.00	0	0.00	0	0.00	2,850	9.50
Age 30 employee-02	M	07/01/77	01/01/06	30,000	30	2	34	62	150	0.50	1,800	6.00	900	3.00	0	0.00	0	0.00	2,850	9.50
Age 35 employee-01	M	07/01/72	01/01/06	35,000	35	2	29	62	175	0.50	2,100	6.00	1,050	3.00	0	0.00	0	0.00	3,325	9.50
Age 35 employee-02	M	07/01/72	01/01/06	35,000	35	2	29	62	175	0.50	2,100	6.00	1,050	3.00	0	0.00	0	0.00	3,325	9.50
Age 40 employee-01	M	07/01/67	01/01/06	40,000	40	2	24	62	200	0.50	2,400	6.00	1,200	3.00	0	0.00	0	0.00	3,800	9.50
TOTALS:				395,000					94,446		18,600		5,100		15,500		0		133,646	

404 Deductibility Limit is satisfied if either:

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

$$( 94,446 + 18,600 + 5,100 ) = 118,146 <= 98,750$$

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

$$( 18,600 + 5,100 ) = 23,700 <= 23,700$$

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