

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-Elctive 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	0	0.00	0	0.00	15,500	6.89	0	0.00	109,096	48.49
Age 40 employee-01	M	07/01/67	01/01/06	40,000	40	2	24	62	8,000	20.00	3,200	8.00	1,200	3.00	0	0.00	0	0.00	12,400	31.00
Age 45 employee-01	M	07/01/62	01/01/06	45,000	45	2	19	62	9,000	20.00	3,600	8.00	1,350	3.00	0	0.00	0	0.00	13,950	31.00
Age 50 employee-01	M	07/01/57	01/01/06	50,000	50	2	14	62	10,000	20.00	4,000	8.00	1,500	3.00	0	0.00	0	0.00	15,500	31.00
Age 55 employee-01	M	07/01/52	01/01/06	55,000	55	2	9	62	11,000	20.00	4,400	8.00	1,650	3.00	0	0.00	0	0.00	17,050	31.00
Age 60 employee-01	M	07/01/47	01/01/06	60,000	60	2	4	63	12,000	20.00	4,800	8.00	1,800	3.00	0	0.00	0	0.00	18,600	31.00
TOTALS:				475,000					143,596		20,000		7,500		15,500		0		186,596	

404 Deductibility Limit is satisfied if either:

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

$$(143,596 + 20,000 + 7,500) = 171,096 <= 118,750$$

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

$$(20,000 + 7,500) = 27,500 <= 28,500$$

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