

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 (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 55 owner-1	M	07/01/52	01/01/02	225,000	55	6	13	62	153,926	68.41	3,825	1.70	6,750	3.00	15,500	6.89	5,000	2.22	185,001	82.22
Age 20 employee-01	M	07/01/87	01/01/06	20,000	20	2	44	62	100	0.50	900	4.50	600	3.00	0	0.00	0	0.00	1,600	8.00
Age 25 employee-01	M	07/01/82	01/01/06	25,000	25	2	39	62	125	0.50	1,125	4.50	750	3.00	0	0.00	0	0.00	2,000	8.00
Age 45 employee-01	M	07/01/62	01/01/06	45,000	45	2	19	62	225	0.50	2,025	4.50	1,350	3.00	0	0.00	0	0.00	3,600	8.00
Age 50 employee-01	M	07/01/57	01/01/06	50,000	50	2	14	62	250	0.50	2,250	4.50	1,500	3.00	0	0.00	0	0.00	4,000	8.00
Age 55 employee-01	M	07/01/52	01/01/06	55,000	55	2	9	62	275	0.50	2,475	4.50	1,650	3.00	0	0.00	0	0.00	4,400	8.00
TOTALS:				420,000					154,901		12,600		12,600		15,500		5,000		200,601	

404 Deductibility Limit is satisfied if either:

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

$$( 154,901 + 12,600 + 12,600 ) = 180,101 <= 105,000$$

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

$$( 12,600 + 12,600 ) = 25,200 <= 25,200$$

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