

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	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	%	AMOUNT	%		
Age 55 owner-1	M	07/01/52	01/01/02	225,000	55	6	13	62	153,926	68.41	6,750	3.00	6,750	3.00	15,500	6.89	5,000	2.22	187,926	83.52
Age 25 employee-01	M	07/01/82	01/01/06	25,000	25	2	39	62	3,750	15.00	750	3.00	750	3.00	0	0.00	0	0.00	5,250	21.00
Age 35 employee-01	M	07/01/72	01/01/06	35,000	35	2	29	62	5,250	15.00	1,050	3.00	1,050	3.00	0	0.00	0	0.00	7,350	21.00
TOTALS:				285,000					162,926		8,550		8,550		15,500		5,000		200,526	

404 Deductibility Limit is satisfied if either:

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

$$(162,926 + 8,550 + 8,550) = 180,026 <= 71,250$$

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

$$(8,550 + 8,550) = 17,100 <= 17,100$$

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