

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 COMPENSATN	AGE	PS	TS	RA	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	%
Age 55 owner-1	M	07/01/52	01/01/02	225,000	55	6	13	62	153,926	68.41	6,000	2.67	6,750	3.00	15,500	6.89	5,000	2.22	187,176	83.19
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
TOTALS:				295,000					154,276		9,150		8,850		15,500		5,000		192,776	

404 Deductibility Limit is satisfied if either:

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

$$(154,276 + 9,150 + 8,850) = 172,276 <= 73,750$$

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

$$(9,150 + 8,850) = 18,000 <= 17,700$$

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