

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	0	0.00	0	0.00	15,500	6.89	5,000	2.22	174,426	77.52
Age 45 employee-01	M	07/01/62	01/01/06	45,000	45	2	19	62	675	1.50	7,425	16.50	1,350	3.00	0	0.00	0	0.00	9,450	21.00
Age 55 employee-01	M	07/01/52	01/01/06	55,000	55	2	9	62	825	1.50	9,075	16.50	1,650	3.00	0	0.00	0	0.00	11,550	21.00
TOTALS:				325,000					155,426		16,500		3,000		15,500		5,000		195,426	

404 Deductibility Limit is satisfied if either:

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

$$(155,426 + 16,500 + 3,000) = 174,926 <= 81,250$$

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

$$(16,500 + 3,000) = 19,500 <= 19,500$$

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