

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 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			
					AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%		
Age 65 owner-1	M	07/01/42	01/01/02	225,000	65	6	10	70	203,639	90.51	6,000	2.67	6,750	3.00	15,500	6.89	5,000	2.22	236,889	105.28
Age 25 employee-01	M	07/01/82	01/01/06	25,000	25	2	42	65	125	0.50	1,125	4.50	750	3.00	0	0.00	0	0.00	2,000	8.00
Age 25 employee-02	M	07/01/82	01/01/06	25,000	25	2	42	65	125	0.50	1,125	4.50	750	3.00	0	0.00	0	0.00	2,000	8.00
TOTALS:				275,000					203,889		8,250		8,250		15,500		5,000		240,889	

404 Deductibility Limit is satisfied if either:

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

$$(203,889 + 8,250 + 8,250) = 220,389 <= 68,750$$

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

$$(8,250 + 8,250) = 16,500 <= 16,500$$

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