

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 65 owner-1	M	07/01/42	01/01/02	225,000	65	6	10	70	203,639	90.51	5,100	2.27	0	0.00	15,500	6.89	5,000	2.22	229,239	101.88
Age 30 employee-01	M	07/01/77	01/01/06	30,000	30	2	37	65	150	0.50	1,950	6.50	900	3.00	0	0.00	0	0.00	3,000	10.00
Age 35 employee-01	M	07/01/72	01/01/06	35,000	35	2	32	65	175	0.50	2,275	6.50	1,050	3.00	0	0.00	0	0.00	3,500	10.00
Age 50 employee-01	M	07/01/57	01/01/06	50,000	50	2	17	65	250	0.50	3,250	6.50	1,500	3.00	0	0.00	0	0.00	5,000	10.00
Age 60 employee-01	M	07/01/47	01/01/06	60,000	60	2	7	65	301	0.50	3,900	6.50	1,800	3.00	0	0.00	0	0.00	6,001	10.00
Age 65 employee-01	M	07/01/42	01/01/06	65,000	65	2	6	70	325	0.50	4,225	6.50	1,950	3.00	0	0.00	0	0.00	6,500	10.00
TOTALS:				465,000					204,840		20,700		7,200		15,500		5,000		253,240	

404 Deductibility Limit is satisfied if either:

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

$$(204,840 + 20,700 + 7,200) = 232,740 <= 116,250$$

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

$$(20,700 + 7,200) = 27,900 <= 27,900$$

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