

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 35 owner-1	M	07/01/72	01/01/02	225,000	35	6	33	62	56,995	25.33	3,950	1.76	6,750	3.00	15,500	6.89	0	0.00	83,195	36.98
Age 25 employee-01	M	07/01/82	01/01/06	25,000	25	2	39	62	125	0.50	1,625	6.50	750	3.00	0	0.00	0	0.00	2,500	10.00
Age 55 employee-01	M	07/01/52	01/01/06	55,000	55	2	9	62	275	0.50	3,575	6.50	1,650	3.00	0	0.00	0	0.00	5,500	10.00
TOTALS:				305,000					57,395		9,150		9,150		15,500		0		91,195	

404 Deductibility Limit is satisfied if either:

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

$$( 57,395 + 9,150 + 9,150 ) = 75,695 <= 76,250$$

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

$$( 9,150 + 9,150 ) = 18,300 <= 18,300$$

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