

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	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	%	AMOUNT	%	AMOUNT	%								
Age 35 owner-1	M	07/01/72	01/01/02	225,000	35	6	33	62	56,995	25.33	6,750	3.00	6,750	3.00	15,500	6.89	0	0.00	85,995	38.22								
Age 55 employee-01	M	07/01/52	01/01/06	55,000	55	2	9	62	9,913	18.02	1,650	3.00	1,650	3.00	0	0.00	0	0.00	13,213	24.02								
Age 60 employee-01	M	07/01/47	01/01/06	60,000	60	2	6	65	11,089	18.48	1,800	3.00	1,800	3.00	0	0.00	0	0.00	14,689	24.48								
TOTALS:				340,000					77,997		10,200		10,200		15,500		0		113,897									

404 Deductibility Limit is satisfied if either:

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

$$( 77,997 + 10,200 + 10,200 ) = 98,397 <= 85,000$$

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

$$( 10,200 + 10,200 ) = 20,400 <= 20,400$$

NOTE: Cash Balance Plan is NOT Cross-Tested with 401(k) Plan, so 401(k) Plan is OPTIONAL, not required.