

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 45 owner-1	M	07/01/62	01/01/02	225,000	45	6	23	62	93,596	41.60	0	0.00	6,750	3.00	15,500	6.89	0	0.00	115,846	51.49
Age 30 empl oyee-01	M	07/01/77	01/01/06	30,000	30	2	34	62	150	0.50	3,000	10.00	900	3.00	0	0.00	0	0.00	4,050	13.50
Age 35 empl oyee-01	M	07/01/72	01/01/06	35,000	35	2	29	62	175	0.50	3,500	10.00	1,050	3.00	0	0.00	0	0.00	4,725	13.50
Age 35 empl oyee-02	M	07/01/72	01/01/06	35,000	35	2	29	62	175	0.50	3,500	10.00	1,050	3.00	0	0.00	0	0.00	4,725	13.50
Age 35 empl oyee-03	M	07/01/72	01/01/06	35,000	35	2	29	62	175	0.50	3,500	10.00	1,050	3.00	0	0.00	0	0.00	4,725	13.50
Age 40 empl oyee-01	M	07/01/67	01/01/06	40,000	40	2	24	62	200	0.50	4,000	10.00	1,200	3.00	0	0.00	0	0.00	5,400	13.50
Age 40 empl oyee-02	M	07/01/67	01/01/06	40,000	40	2	24	62	200	0.50	4,000	10.00	1,200	3.00	0	0.00	0	0.00	5,400	13.50
Age 40 empl oyee-03	M	07/01/67	01/01/06	40,000	40	2	24	62	200	0.50	4,000	10.00	1,200	3.00	0	0.00	0	0.00	5,400	13.50
Age 45 empl oyee-01	M	07/01/62	01/01/06	45,000	45	2	19	62	225	0.50	4,500	10.00	1,350	3.00	0	0.00	0	0.00	6,075	13.50
Age 45 empl oyee-02	M	07/01/62	01/01/06	45,000	45	2	19	62	225	0.50	4,500	10.00	1,350	3.00	0	0.00	0	0.00	6,075	13.50
Age 50 empl oyee-01	M	07/01/57	01/01/06	50,000	50	2	14	62	250	0.50	5,000	10.00	1,500	3.00	0	0.00	0	0.00	6,750	13.50
TOTALS:				620,000					95,571		39,500		18,600		15,500		0		169,171	

404 Deductibility Limit is satisfied if either:

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

$$(95,571 + 39,500 + 18,600) = 153,671 <= 155,000$$

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

$$(39,500 + 18,600) = 58,100 <= 37,200$$

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