

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		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	%		
Age 45 owner-1	M	07/01/62	01/01/02	225,000	45	6	23	62	93,596	41.60	0	0.00	0	0.00	15,500	6.89	0	0.00	109,096	48.49
Age 55 employee-01	M	07/01/52	01/01/06	55,000	55	2	9	62	5,644	10.26	8,107	14.74	1,650	3.00	0	0.00	0	0.00	15,401	28.00
Age 60 employee-01	M	07/01/47	01/01/06	60,000	60	2	6	65	6,157	10.26	8,843	14.74	1,800	3.00	0	0.00	0	0.00	16,800	28.00
TOTALS:				340,000				105,397		16,950		3,450		15,500		0		141,297		

404 Deductibility Limit is satisfied if either:

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

$$(105,397 + 16,950 + 3,450) = 125,797 <= 85,000$$

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

$$(16,950 + 3,450) = 20,400 <= 20,400$$

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