

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-Eligible 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 55 owner-1	M	07/01/52	01/01/02	225,000	55	6	13	62	153,926	68.41	4,200	1.87	6,750	3.00	15,500	6.89	5,000	2.22	185,376	82.39
Age 30 employee-01	M	07/01/77	01/01/06	30,000	30	2	34	62	150	0.50	1,350	4.50	900	3.00	0	0.00	0	0.00	2,400	8.00
Age 30 employee-02	M	07/01/77	01/01/06	30,000	30	2	34	62	150	0.50	1,350	4.50	900	3.00	0	0.00	0	0.00	2,400	8.00
Age 35 employee-01	M	07/01/72	01/01/06	35,000	35	2	29	62	175	0.50	1,575	4.50	1,050	3.00	0	0.00	0	0.00	2,800	8.00
Age 35 employee-02	M	07/01/72	01/01/06	35,000	35	2	29	62	175	0.50	1,575	4.50	1,050	3.00	0	0.00	0	0.00	2,800	8.00
Age 40 employee-01	M	07/01/67	01/01/06	40,000	40	2	24	62	200	0.50	1,800	4.50	1,200	3.00	0	0.00	0	0.00	3,200	8.00
TOTALS:				395,000					154,776		11,850		11,850		15,500		5,000		198,976	

404 Deductibility Limit is satisfied if either:

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

$$(154,776 + 11,850 + 11,850) = 178,476 <= 98,750$$

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

$$(11,850 + 11,850) = 23,700 <= 23,700$$

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