

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 65 owner-1	M	07/01/42	01/01/02	225,000	65	6	10	70	203,639	90.51	0	0.00	0	0.00	15,500	6.89	5,000	2.22	224,139	99.62
Age 30 empl oyee-01	M	07/01/77	01/01/06	30,000	30	2	37	65	150	0.50	1,800	6.00	900	3.00	0	0.00	0	0.00	2,850	9.50
Age 35 empl oyee-01	M	07/01/72	01/01/06	35,000	35	2	32	65	175	0.50	2,100	6.00	1,050	3.00	0	0.00	0	0.00	3,325	9.50
Age 35 empl oyee-02	M	07/01/72	01/01/06	35,000	35	2	32	65	175	0.50	2,100	6.00	1,050	3.00	0	0.00	0	0.00	3,325	9.50
Age 35 empl oyee-03	M	07/01/72	01/01/06	35,000	35	2	32	65	175	0.50	2,100	6.00	1,050	3.00	0	0.00	0	0.00	3,325	9.50
Age 40 empl oyee-01	M	07/01/67	01/01/06	40,000	40	2	27	65	200	0.50	2,400	6.00	1,200	3.00	0	0.00	0	0.00	3,800	9.50
Age 40 empl oyee-02	M	07/01/67	01/01/06	40,000	40	2	27	65	200	0.50	2,400	6.00	1,200	3.00	0	0.00	0	0.00	3,800	9.50
Age 40 empl oyee-03	M	07/01/67	01/01/06	40,000	40	2	27	65	200	0.50	2,400	6.00	1,200	3.00	0	0.00	0	0.00	3,800	9.50
Age 45 empl oyee-01	M	07/01/62	01/01/06	45,000	45	2	22	65	225	0.50	2,700	6.00	1,350	3.00	0	0.00	0	0.00	4,275	9.50
Age 45 empl oyee-02	M	07/01/62	01/01/06	45,000	45	2	22	65	225	0.50	2,700	6.00	1,350	3.00	0	0.00	0	0.00	4,275	9.50
Age 50 empl oyee-01	M	07/01/57	01/01/06	50,000	50	2	17	65	250	0.50	3,000	6.00	1,500	3.00	0	0.00	0	0.00	4,750	9.50
TOTALS:				620,000					205,614		23,700		11,850		15,500		5,000		261,664	

404 Deductibility Limit is satisfied if either:

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

$$( 205,614 + 23,700 + 11,850 ) = 241,164 <= 155,000$$

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

$$( 23,700 + 11,850 ) = 35,550 <= 37,200$$

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