

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 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			
					AMOUNT	%	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 45 employee-01	M	07/01/62	01/01/06	45,000	45	2	22	65	1,575	3.50	7,425	16.50	1,350	3.00	0	0.00	0	0.00	10,350	23.00
Age 55 employee-01	M	07/01/52	01/01/06	55,000	55	2	12	65	1,925	3.50	9,075	16.50	1,650	3.00	0	0.00	0	0.00	12,650	23.00
TOTALS:				325,000					207,139		16,500		3,000		15,500		5,000		247,139	

404 Deductibility Limit is satisfied if either:

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

$$(207,139 + 16,500 + 3,000) = 226,639 <= 81,250$$

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

$$(16,500 + 3,000) = 19,500 <= 19,500$$

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