

**Blaze SSI Default  
DB AND/OR DC PLAN  
Valuation as of December 31, 2012  
IRC401(k) ADP Test**

Salary Group	Number of Participants	Average* Deferral As %Pay
Highly Compensated	3	8.52%
Non-Highly Compensated	5	4.55%
Total Plan	8	6.04%

**IRC401(k) Average Deferral Percentage Test**

(1)	1.25 x Average Deferral for Non-Highly Compensated group:	5.69%
(2)	Lesser of 2% plus Average Deferral for Non-Highly Compensated group and 2 x Average Deferral for Non-Highly Compensated group:	6.55%
(3)	Average Deferral for Highly Compensated group may not exceed the greater of (1) and (2): (This maximum% is based on top-down leveling by percentages. Actual refunds must be based on amounts and hence this maximum% may be exceeded and yet be deemed nondiscriminatory. See IRS Notice 97-2).	6.55%

The IRC401(k) ADP Test is **Not Satisfied**. Available options are:

- (a) Increase the Average Deferral for the Non-Highly Compensated group to the theoretical minimum Average Deferral indicated below. An employer QNEC contribution can be used to do this or the Non-Highly Compensated group can be urged to increase deferrals.
- (b) Decrease the Average Deferral for the highly compensated group to the theoretical maximum Average Deferral indicated below. This can be done by the leveling method specified in IRS regulations and IRS Notice 97-2.

**Theoretical Values:**

Maximum Average Deferral for Highly Compensated Group: (Based on the Average Deferral for the Non-Highly Compensated group and using top-down leveling by percentages. Actual refunds must be based on amounts and hence this percentage may be exceeded and yet be deemed nondiscriminatory. Refer to IRS Notice 97-2 for details.)	6.55%
Minimum Deferral for Non-Highly Compensated Group: (Based on the Average Deferral for the Highly Compensated group)	6.52%

\* The test includes the following %'s of deferrals/contributions:

401(k) elective deferral %'s:	HC: 100.00%	NHC: 100.00%
401(k) QNEC contribution %'s:	HC: 100.00%	NHC: 100.00%

Plan uses Current Year ADP NHC Contributions to perform test.

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Valuation as of December 31, 2012  
IRC401(k) ADP Return of Excess Contributions - Employee-Level Details**

Name	SocSec#	Top Down Leveling			Adjusted ADP Values			
		ADP Numerator	Numerator Reduction	ADP %	ADP Numerator	Numerator Reduction	Adj ADP Numerator	ADP %
ONE, HIGH	000-00-0001	20,000.00	1,429.00	7.58	20,000.00	<b>4,840.00</b>	15,160.00	6.19
TWO, HIGH	000-00-0002	20,000.00	8,251.00	7.58	20,000.00	<b>4,840.00</b>	15,160.00	9.78
THREE, HIGH	000-00-0003	11,000.00	0.00	4.49	11,000.00	<b>0.00</b>	11,000.00	4.49
Total		51,000.00	9,680.00		51,000.00	<b>9,680.00</b>	41,320.00	

Plan uses Current Year ADP NHC Contributions to perform test.

The ADP Amounts and Percentages shown above result from the illustrated reduction in the actual ADP test numerator. This theoretical calculation illustrates one set of minimum reduction amounts which, if performed, will be deemed to satisfy the ADP test. The maximum average deferral percentage for the Highly Compensated Group is 6.55% based on top-down leveling by percentages. Actual refunds must be based on amounts and hence this percentage may be exceeded and yet be deemed nondiscriminatory. Refer to IRS Notice 97-2 for details.

The leveling reductions shown do not include any adjustment for the allocated income attributable to these excess amounts. The allocated income attributable to these excess amounts should be determined in accordance with applicable plan provisions and then added to (or, in the case of net investment losses, subtracted from) the leveling reductions shown when actual refunds or forfeitures are applied.

A Match on excess contributions may be subject to forfeiture in order to avoid a discriminatory rate of Match. The Match on excess illustrated does not consider potential recharacterization of deferrals as Catch-up.

If any matching contributions are made on amounts refunded due to required leveling reductions and this would result in a discriminatory rate of match, such matching contributions must be forfeited unless additional contributions to non-highly compensated participants are made in order to avoid such discrimination.

**Numerator Reduction** illustrates the IRC401(k) ADP refund amount.

**Blaze SSI Default  
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Valuation as of December 31, 2012  
IRC401(k) ADP Reduction of Excess Contributions By Source**

Name	Reduction Amounts By Source			Total	Match On Excess
	Employer Contribution	IRC401(k) Deferral	IRC401(k) QNEC	Anticipated Refund	
ONE, H	0.00	4,840.00	0.00	4,840.00	150.00
TWO, H	0.00	4,840.00	0.00	4,840.00	2,850.00
THREE, H	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>9,680.00</b>	<b>0.00</b>	<b>9,680.00</b>	<b>3,000.00</b>

The Elective Deferral portion of the Total Anticipated Refund can be adjusted due to the recharacterization of it as Catch-up.

Plan uses Current Year ADP NHC Contributions to perform test.

The leveling reductions shown do not include any adjustment for the allocated income attributable to these excess amounts. The allocated income attributable to these excess amounts should be determined in accordance with applicable plan provisions and then added to (or, in the case of net investment losses, subtracted from) the leveling reductions shown when actual refunds or forfeitures are applied.

A Match on excess contributions may be subject to forfeiture in order to avoid a discriminatory rate of Match. The Match on excess illustrated does not consider potential recharacterization of deferrals as Catch-up.

**Blaze SSI Default  
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Valuation as of December 31, 2012  
IRC401(k) Theoretical Maximum HCE Contributions to End of Plan Year**

Name	ADP Numerator				ADP%			H C
	Total	Projected	Projected Cutback	Adjusted Projected	Total	Projected	Adjusted Projected	
ONE, HIGH	20,000.00	20,000.00	1,429.00	18,571.00	8.16	8.16	7.58	Y
TWO, HIGH	20,000.00	20,000.00	8,251.00	11,749.00	12.90	12.90	7.58	Y
THREE, HIGH	11,000.00	11,000.00	0.00	11,000.00	4.49	4.49	4.49	Y
Total	51,000.00	51,000.00	9,680.00	41,320.00				

Plan uses Current Year ADP NHC Contributions to perform test.

**HC** indicates highly compensated status.

The **Total ADP Numerator** and **ADP%** correspond to the total of the actual and projected HCE ADP values used in the test.

The **Projected ADP Numerator** and **ADP%** correspond to 100% of the total HCE ADP values used in the test.

The **Adjusted** values are the result of top-down leveling of the **Projected ADP Numerator** and **ADP%** in order to satisfy the IRC401(k) ADP test.

This theoretical calculation illustrates one set of HCE ADP Numerator cutbacks which satisfy the IRC401(k) ADP non-discrimination test.

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Valuation as of December 31, 2012  
IRC401(k) ADP QNEC Report - Employee-Level Detail**

Name	SocSec#	Without QNEC		With QNEC		QNEC	
		ADP \$Amt	ADP%	ADP \$Amt	ADP%	\$Amount	%Pay
ONE, NONHIGH	000-00-0101	1,050.00	3.62	1,621.30	5.59	571.30	1.970
TWO, NONHIGH	000-00-0102	550.00	2.89	924.30	4.86	374.30	1.970
THREE, NONHIGH	000-00-0103	3,500.00	9.21	4,248.60	11.18	748.60	1.970
FOUR, NONHIGH	000-00-0104	700.00	4.12	1,034.90	6.09	334.90	1.970
FIVE, NONHIGH	000-00-0105	900.00	2.90	1,510.70	4.87	610.70	1.970
Total		6,700.00		9,339.80		2,639.80	

Considering all employees included in the test, an Average Theoretical ADP QNEC Percentage of 1.97%, is necessary to pass the test assuming a minimum average deferral of 6.52% by the Non-Highly Compensated Group.

This QNEC Percentage would require a contribution of \$2,639.80 to be made by the Plan Sponsor which would be 100% vested immediately.

Plan uses Current Year ADP NHC Contributions to perform test.

The Theoretical QNEC would be allocated to the non highly compensated Plan Participants.

The Theoretical QNEC allocation excludes:

- terminees with a break in service.
- terminees with less than the required number of hours.
- terminees with more than the required number of hours.

**Blaze SSI Default  
DB AND/OR DC PLAN  
Valuation as of December 31, 2012  
IRC401(m) Contribution Percentage Test**

Salary Group	Number of Participants	Contribution* As %Pay
Highly Compensated	3	3.38%
Non-Highly Compensated	5	2.16%
Total Plan	8	2.62%

**IRC401(m) Contribution Percentage Test**

(1)	1.25 x Contribution % for Non-Highly Compensated group:	2.70%
(2)	Lesser of 2% plus Contribution % for Non-Highly Compensated group and 2 x Contribution % for Non-Highly Compensated group:	4.16%
(3)	Contribution % for Highly Compensated group may not exceed the greater of (1) and (2): (This maximum% is based on top-down leveling by percentages. Actual refunds must be based on amounts and hence this maximum% may be exceeded and yet be deemed nondiscriminatory. See IRS Notice 97-2).	4.16%

The IRC401(m) ACP Test is **Satisfied**.

Theoretical Maximum Contribution % - Highly Compensated Group: (Based on the Contribution % for the Non-Highly Compensated group and using top-down leveling by percentages. Actual refunds must be based on amounts and hence this percentage may be exceeded and yet be deemed nondiscriminatory. Refer to IRS Notice 97-2 for details.)	4.16%
Theoretical Minimum Contribution % - Non-Highly Compensated Group: (Based on the Contribution % for the Highly Compensated group)	1.69%

\* This test includes the following %'s of deferrals/contributions:

Employer matching contribution %'s:	HC: 100.00%	NHC: 100.00%
QMAC contribution %'s:	HC: 100.00%	NHC: 100.00%

Plan uses Current Year ACP NHC Contributions to perform test.