

<div>Form 5500</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Annual Return/Report of Employee Benefit Plan</div> <div>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div>	<div>OMB Nos. 1210-0110 1210-0089</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A	This return/report is for: <div><div>☐ a multiemployer plan;</div><div>☒ a single-employer plan;</div><div>☐ a multiple-employer plan; or</div><div>☐ a DFE (specify) ____</div></div>
B	This return/report is: <div><div>☐ the first return/report;</div><div>☐ the final return/report;</div><div>☐ an amended return/report;</div><div>☐ a short plan year return/report (less than 12 months).</div></div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: <div><div>☐ Form 5558;</div><div>☐ automatic extension;</div><div>☐ the DFVC program;</div><div>☐ special extension (enter description)</div></div>

Part II	Basic Plan Information—enter all requested information	
1a	Name of plan WASHINGTON ALDER LLC 401(K)	1b Three-digit plan number (PN) ▶ 001
		1c Effective date of plan 01/01/1999
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) WASHINGTON ALDER LLC 13421 FARM TO MARKET RD MOUNT VERNON, WA 98273-8273	2b Employer Identification Number (EIN) 91-1857486 2c Sponsor's telephone number 360-428-8583 2d Business code (see instructions) 321110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	07/27/2010	CATHERINE SHALAMUNEC
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/27/2010	PAULA NORMAN
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") WASHINGTON ALDER LLC 13421 FARM TO MARKET RD MOUNT VERNON, WA 98273-8273	3b Administrator's EIN 91-1857486 3c Administrator's telephone number 360-428-8583
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	368
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	268
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	119
d Subtotal. Add lines 6a , 6b , and 6c	6d	387
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	387
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	245
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2J 2K 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☒ 1 **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan WASHINGTON ALDER LLC 401(K)	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500. WASHINGTON ALDER LLC		
D Employer Identification Number (EIN) 91-1857486		

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0127290	61271	436910	387	01/01/2009	12/31/2009

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
15602	252

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

KMS FINANCIAL SERVICES INC
2001 6TH AVE STE 2801
SEATTLE, WA 98121-9833

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
15602	252	REFERRAL/SERVICE FEE	3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	402665
5 Current value of plan's interest under this contract in separate accounts at year end	5	5098477

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ FLEXIBLE INVESTMENT ANNUITY

b Balance at the end of the previous year	7b	445389
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c Additions: (1) Contributions deposited during the year	7c(1)	49834	
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)	15855	
(4) Transferred from separate account	7c(4)	70005	
(5) Other (specify below)	7c(5)		

(6) Total additions	7c(6)	135694
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d Total of balance and additions (add b and c(6)).	7d	581083
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	161565	
(2) Administration charge made by carrier	7e(2)	2278	
(3) Transferred to separate account	7e(3)	10533	
(4) Other (specify below)	7e(4)		

(5) Total deductions	7e(5)	174376
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f Balance at the end of the current year (subtract e(5) from d)	7f	406707
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan WASHINGTON ALDER LLC 401(K)		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 WASHINGTON ALDER LLC		D Employer Identification Number (EIN) 91-1857486

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRINCIPAL LIFE INSURANCE COMPANY
42-0127290

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
--

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 50 64	CONTRACT ADMINISTRATOR	25143	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>WASHINGTON ALDER LLC 401(K)</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>WASHINGTON ALDER LLC</u>	D Employer Identification Number (EIN) <u>91-1857486</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN SMCAP BLEND SEP ACCT-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-029</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>175552</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN MIDCAP BLEND SEP ACCT-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-020</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>165906</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN GOVT & HQ BOND SA-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-007</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>190738</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN MONEY MARKET SEP ACCT-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-024</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>535770</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN INTL EMERG MARKETS SA-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-013</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>567823</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN INTL SMALLCAP SEP ACCT-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-014</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>168964</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN LGCAP BLEND I SEP ACCT-R6</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-017</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>	

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN U.S. PROPERTY SEP ACCT-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-027	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 131875

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN BOND AND MORTGAGE SA-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-005	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 86738

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN DIVERSIFIED INTL SA-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-015	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 97892

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LGCAP S&P 500 INDEX SA-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-016	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 291844

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LARGE CAP GROWTH II SA-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-067	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 146125

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2010 SEP ACCT-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-075	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 476473

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2020 SEP ACCT-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-076	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1005299

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2030 SEP ACCT-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-077	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 439902

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2040 SEP ACCT-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-078	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 386258

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2050 SEP ACCT-R6		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-079	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 66029

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME STRAT INC SA-R6

PRINCIPAL LIFE INSURANCE COMPANY

b Name of sponsor of entity listed in (a):**c** EIN-PN 42-0127290-080**d** Entity code P**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

110280

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN FIN GRP, INC. STOCK SA-R6

PRINCIPAL LIFE INSURANCE COMPANY

b Name of sponsor of entity listed in (a):**c** EIN-PN 42-0127290-086**d** Entity code P**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

11559

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMALLCAP VALUE II SA-R6

PRINCIPAL LIFE INSURANCE COMPANY

b Name of sponsor of entity listed in (a):**c** EIN-PN 42-0127290-096**d** Entity code P**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2015 SEP ACCT-R6

PRINCIPAL LIFE INSURANCE COMPANY

b Name of sponsor of entity listed in (a):**c** EIN-PN 42-0127290-110**d** Entity code P**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

18174

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2035 SEP ACCT-R6

PRINCIPAL LIFE INSURANCE COMPANY

b Name of sponsor of entity listed in (a):**c** EIN-PN 42-0127290-112**d** Entity code P**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

5342

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2045 SEP ACCT-R6

PRINCIPAL LIFE INSURANCE COMPANY

b Name of sponsor of entity listed in (a):**c** EIN-PN 42-0127290-113**d** Entity code P**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

19192

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2055 SEP ACCT-R6

PRINCIPAL LIFE INSURANCE COMPANY

b Name of sponsor of entity listed in (a):**c** EIN-PN 42-0127290-114**d** Entity code P**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

369

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN CORE PLUS BOND I SA-R6

PRINCIPAL LIFE INSURANCE COMPANY

b Name of sponsor of entity listed in (a):**c** EIN-PN 42-0127290-115**d** Entity code P**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

371

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan WASHINGTON ALDER LLC 401(K)	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 WASHINGTON ALDER LLC	D Employer Identification Number (EIN) 91-1857486	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)	4297307	5098477
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	397259	619551
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	445389	402665
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	5139955	6120693

Liabilities

g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	0	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	5139955	6120693
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	305504	
(B) Participants	2a(1)(B)	511468	
(C) Others (including rollovers)	2a(1)(C)	2527	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		819499

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	15855	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		15855
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	5168	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		5168
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		869593
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		118670
c Other income.....	2c		-4043
d Total income. Add all income amounts in column (b) and enter total.....	2d		1824742

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	818859	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		818859
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	25145	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		25145
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		844004

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		980738
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MOSS-ADAMS LLP

(2) EIN: 91-0189318

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	0
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	0
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	0
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	0
e Was this plan covered by a fidelity bond?.....	X		55000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>WASHINGTON ALDER LLC 401(K)</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>WASHINGTON ALDER LLC</u>	D Employer Identification Number (EIN) <u>91-1857486</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>42-0127290</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

WASHINGTON ALDER LLC 401(K)

**Independent Auditor's Report and Financial
Statements with Supplemental Schedule**

December 31, 2009 and 2008

WASHINGTON ALDER LLC 401(K)
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DECEMBER 31, 2009 AND 2008

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INDEPENDENT AUDITOR'S REPORT

To the Trustees
Washington Alder LLC 401(k)

We were engaged to audit the financial statements and supplemental schedule of Washington Alder LLC 401(k) as of December 31, 2009 and 2008, and for the year ended December 31, 2009, as listed in the accompanying table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 8, which was certified by Principal Life Insurance Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian as of December 31, 2009 and 2008, and for the year ended December 31, 2009, that the information provided to the Plan administrator by the custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



Bellingham, Washington
July 6, 2010

WASHINGTON ALDER LLC 401(K)
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Participant directed investments, at fair value:		
Pooled separate accounts	\$ 5,098,477	\$ 4,297,307
Registered investment companies	619,551	397,259
Guaranteed investment contracts	<u>402,665</u>	<u>445,389</u>
Total participant directed investments, at fair value	<u>6,120,693</u>	<u>5,139,955</u>
 NET ASSETS REFLECTING ALL		
INVESTMENTS AT FAIR VALUE	6,120,693	5,139,955
Adjustment from fair value to contract value for fully		
benefit-responsive investment contracts	<u>4,043</u>	<u>—</u>
 NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 6,124,736</u></u>	<u><u>\$ 5,139,955</u></u>

WASHINGTON ALDER LLC 401(K)
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2009

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Investment Income

Net investment income, including net appreciation in fair value of investments	\$ 993,431
Interest on guaranteed investment contracts	<u>15,855</u>
Total investment income	<u>1,009,286</u>

Contributions

Participant	305,504
Employer	511,468
Rollovers	<u>2,527</u>
Total contributions	<u>819,499</u>
Total additions	<u>1,828,785</u>

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Benefits paid to participants	818,859
Administrative expenses	<u>25,145</u>
Total deductions	<u>844,004</u>

NET INCREASE	984,781
---------------------	---------

NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of year	<u>5,139,955</u>
End of year	<u>\$ 6,124,736</u>

NOTE 1 – DESCRIPTION OF PLAN

The following description of Washington Alder LLC 401(k) (the “Plan”) provides only general information. Participants should refer to the Plan agreement, as amended, for a more complete description of Plan provisions.

General – The Plan is a 401(k) salary deferral and profit sharing plan covering substantially all employees of Washington Alder LLC, Cascade Hardwood LLC, and Port Angeles Hardwood LLC (collectively, the “Company”), and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended. Washington Alder LLC is the Plan’s sponsor and serves as Plan administrator.

Eligibility – Employees of the Company are eligible to participate in the Plan upon reaching age 18 and after completing one year of service in which at least 1,000 hours are worked.

Contributions – Participants may elect to contribute between 1% and 100% of eligible compensation to the Plan each year. The Company matches contributions equal to 100% of salary deferral contributions which are not over 3% of employees’ pay, plus 50% of salary deferral contributions which are over 3%, but not over 5% of pay, for each payroll period. The Company may elect to make discretionary matching contributions to the Plan. Participants must complete at least 1,000 hours of service during the Plan year, and be employed as of the last day of the Plan year, to be eligible to receive any employer discretionary contributions. No discretionary contributions were made during 2009. Pay is defined under the Plan as wages, tips, and other compensation and excludes safe harbor fringe benefits. Contributions are subject to regulatory limitations.

Participant Accounts – Each participant’s account is credited with the participant’s contribution, allocations of the Company’s contribution and actual investment earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. Participants may direct the investment of their account balances into various investment options offered by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

Vesting – Participants are fully vested in their participant elected contributions plus actual earnings thereon. Vesting in the Company contributions and actual earnings thereon is based on years of continuous service. Employer contributions made prior to January 1, 2004, and earnings thereon, vest as follows: 20% vested after two years, 40% vested after three years, 60% vested after four years, 80% vested after five years, and 100% vested after six years. All contributions made subsequent to December 31, 2003, and earnings thereon, are fully vested at all times.

Loans to Participants – Participant loans from the Plan are not permitted.

Payment of Benefits – On termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant’s account balance, or annual installments. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

NOTE 1 – DESCRIPTION OF PLAN (Continued)

Hardship Withdrawals – Under certain conditions, participants, while still employed, are permitted to withdraw the employee contribution portion of their account balance. These conditions include the payment of post secondary education tuition, funeral or burial expenses for parents, spouse, children or dependants, medical expenses that are tax deductible, expenses to repair damage to participant's primary home that would be tax deductible, or to purchase, prevent eviction or foreclosure of the participant's principal residence. A participant's right to contribute to the Plan will be suspended for at least six months after the receipt of a hardship withdrawal.

Forfeitures – Forfeitures are the non-vested portion of a participant's account that are lost upon termination of employment. Forfeitures are retained in the Plan and will first be used to pay Plan administrative expenses, with any remaining amount used to reduce future Company contributions. As of December 31, 2009 and 2008, forfeited non-vested accounts totaled \$-0-.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The financial statements of the Plan have been prepared in accordance with accounting principles generally accepted in the United States of America using the accrual method of accounting.

Use of Estimates – The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

FASB Codification – On July 1, 2009, the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) became the single authoritative source for nongovernmental U.S. generally accepted accounting principles (GAAP). The ASC supersedes all previous authoritative GAAP applicable to the Plan and is effective for interim and annual periods ended after September 15, 2009.

Investment Valuation – Investments are stated at fair value as certified by the Plan's custodian, Principal Life Insurance Company. Fair value is the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. Authoritative guidance requires the statements of net assets available for benefits present the fair value of the investments, as well as the adjustment from fair value to contract value for fully benefit-responsive investment contracts. The statement of changes in net assets available for benefits is prepared on a contract value basis.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Recognition – Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. The net appreciation in fair value of investments consists of both the realized gains or losses and unrealized appreciation and depreciation of those investments.

Payment of Benefits – Benefits are recorded when paid.

Expenses – Administrative expenses and certain transaction fees are paid by the Plan.

Subsequent Events – Subsequent events are events or transactions that occur after the statement of net assets available for benefits date but before financial statements are issued. The Plan recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net assets available for benefits, including the estimates inherent in the process of preparing the financial statements. The Plan's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net assets available for benefits but arose after the statement of net assets available for benefits date and before financial statements are available to be issued. Note 12 provides disclosure of certain subsequent events that did not result in recognition in the financial statements.

The Plan has evaluated subsequent events through July 6, 2010, which is the date the financial statements were available to be issued.

NOTE 3 – INVESTMENTS

Investments – Investments representing 5% or more of net assets available for benefits consist of the following as of December 31:

	2009	2008
Principal Lifetime 2020	\$ 1,005,299	\$ 741,481
Principal International Em. Market	567,823	–
Principal Money Market	535,770	962,527
Principal Lifetime 2010	476,473	468,834
Principal Lifetime 2030	439,902	319,018
Principal Lifetime 2040	386,258	273,772

During 2009, the Plan's investments (including gains and losses on investments purchased, sold, as well as held during the year) appreciated in fair value as follows:

Pooled separate accounts	\$ 869,593
Registered investment companies	123,838
Guaranteed investment contracts	15,855
Net investment gain, including net appreciation in fair value of investments	<u>\$ 1,009,286</u>

NOTE 3 – INVESTMENTS (Continued)

The above amounts include interest, dividends, and both realized and unrealized gains and losses on investments. The Plan's record keeper does not separately account for the components of investment income.

NOTE 4 – FAIR VALUE MEASUREMENTS

In accordance with authoritative guidance, the Plan classifies its investments based upon an established fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement

- Level 1** – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2** – Quoted prices in markets that are not considered to be active or financial instruments without quoted market prices, but for which all significant inputs are observable, either directly or indirectly;
- Level 3** – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Shares of registered investment company funds are valued using the net asset value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and is classified within level 1 of the valuation hierarchy.

Units held in pooled separate accounts are valued using the net asset value (NAV) of the fund. The NAV is based on the fair value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of units outstanding. The net asset value of a pooled separate account is calculated based on a compilation of primarily observable market information. The number of units of the fund that are outstanding on the calculation date is derived from observable purchase and redemption activity in the fund. The unit value for an observable collective investment funds are classified within level 2 of the valuation hierarchy. The unit value for the unobservable collective investment fund, Principal U.S. Property, is classified within level 3 of the valuation hierarchy.

The fair value of the guaranteed investment contract (GIC) is calculated by discounting the related cash flows based on current yields of similar instruments with comparable durations. GICs are classified within level 3 of the valuation hierarchy. See Note 5.

WASHINGTON ALDER LLC 401(K)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)

The valuation methods used by the Plan may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table discloses by level, the fair value hierarchy, of the Plan's assets at fair value as of December 31, 2009 and 2008:

Investment Assets at Fair Value as of December 31, 2009				
	Level 1	Level 2	Level 3	Total
Registered investment companies:				
Growth funds	\$ 406,447	\$ –	\$ –	\$ 406,447
Value funds	213,104	–	–	213,104
Pooled separate accounts:				
Blended funds	–	2,758,497	–	2,758,497
Growth fund	–	1,186,315	–	1,186,315
Fixed income funds	–	923,898	–	923,898
Real estate funds	–	–	131,875	131,875
Value funds	–	97,892	–	97,892
Guaranteed investment contracts	–	–	402,665	402,665
	<u>\$ 619,551</u>	<u>\$ 4,966,602</u>	<u>\$ 534,540</u>	<u>\$ 6,120,693</u>

Investment Assets at Fair Value as of December 31, 2008				
	Level 1	Level 2	Level 3	Total
Registered investment companies:				
Growth mutual funds	\$ 181,026	\$ –	\$ –	\$ 181,026
Value mutual funds	216,233	–	–	216,233
Pooled separate accounts:				
Blended funds	–	2,138,326	–	2,138,326
Fixed income funds	–	1,347,596	–	1,347,596
Growth fund	–	517,242	–	517,242
Real estate funds	–	–	173,559	173,559
Value funds	–	120,584	–	120,584
Guaranteed investment contracts	–	–	445,389	445,389
	<u>\$ 397,259</u>	<u>\$ 4,123,748</u>	<u>\$ 618,948</u>	<u>\$ 5,139,955</u>

NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)

The following table discloses the summary of changes in the fair value of the Plan's Level 3 investment assets:

	Investment Contract	Separate Account	Total
Balance, beginning of year	\$ 445,389	\$ 173,559	\$ 618,948
Contributions	119,840	16,349	136,189
Distributions	(176,404)	–	(176,404)
Gain (loss)	15,855	(57,502)	(41,647)
Administrative expense	(2,015)	(531)	(2,546)
Balance, end of year	<u>\$ 402,665</u>	<u>\$ 131,875</u>	<u>\$ 534,540</u>

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation in fair value of investments in the statement of changes in net assets available for benefits.

NOTE 5 – GUARANTEED INVESTMENT CONTRACT WITH PRINCIPAL LIFE INSURANCE COMPANY

The Plan's Principal Life Insurance Company GICs are fully benefit-responsive and are presented at fair value on the statement of net assets available for benefits. The adjustment from fair value to contract value is based on the contract value as reported by Principal Life Insurance Company (which represents contributions made under the contracts, plus earnings, less withdrawals and administrative expenses). The contracts are fully benefit-responsive. For example, participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. Crediting rates on the investment contracts are based on a formula agreed upon with the issuer, but may not be less than 0.94%. Interest rates are reviewed on a quarterly basis for resetting.

Certain events, such as the premature termination of the contract by the Plan or the termination of the Plan, may limit the Plan's ability to transact at contract value with the issuer. The Plan administrator does not believe that the occurrence of such events, which would also limit the Plan's ability to transact at contract value with participants, is probable.

Traditional GICs are unsecured, general account obligations of insurance companies. The obligation is backed by the general account assets of the insurance company that writes the investment contract.

WASHINGTON ALDER LLC 401(K)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 5 – GUARANTEED INVESTMENT CONTRACT WITH PRINCIPAL LIFE INSURANCE COMPANY
(Continued)

Accounting standards require that the Plan provide the following disclosures regarding certain investments in guaranteed investment contracts at December 31:

2009				
	Average Yield	Crediting Interest Rate	Investments at Fair Value	Adjustment to Contract Value
Principal Life Insurance Company				
Guaranteed Investment Contract 2009	3.49 %	0.94 %	\$ 45,872	\$ –
Guaranteed Investment Contract 2010	4.18	0.94	45,207	–
Guaranteed Investment Contract 2011	4.22	1.64	47,255	–
Guaranteed Investment Contract 2012	3.95	2.17	163,914	–
Guaranteed Investment Contract 2013	1.67	2.69	100,417	4,043
			<u>\$ 402,665</u>	<u>\$ 4,043</u>
2008				
	Average Yield	Crediting Interest Rate	Investments at Fair Value	Adjustment to Contract Value
Principal Life Insurance Company				
Guaranteed Investment Contract 2008	2.56 %	0.85 %	\$ 76,593	\$ –
Guaranteed Investment Contract 2009	3.05	0.85	62,115	–
Guaranteed Investment Contract 2010	3.72	1.27	59,833	–
Guaranteed Investment Contract 2011	3.76	1.47	62,916	–
Guaranteed Investment Contract 2012	2.61	1.51	183,932	–
			<u>\$ 445,389</u>	<u>\$ –</u>

The average yield is based upon annualized earnings of the investment, which may differ from the crediting interest rate, which is based upon the annualized earnings credited to participant accounts.

NOTE 6 – INCOME TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated July 22, 2003, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (“IRC”). Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

NOTE 7 – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market volatility, and credit risks. It is reasonably possible, given the level of risk associated with investment securities, that changes in the near term could materially affect a participant's account balance and the amounts reported in the financial statements.

NOTE 8 – INFORMATION CERTIFIED BY THE CUSTODIAN

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Principal Life Insurance Company, the custodian of the Plan, has certified to the completeness and accuracy of:

	<u>December 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
<i>Statement of Net Assets Available for Plan Benefits</i>		
Investments at fair value:		
Pooled separate accounts	\$ 5,098,477	\$ 4,297,307
Registered investment companies	619,551	397,259
Guaranteed investment contracts, at contract value	406,708	445,389
<i>Statement of Changes in Net Assets Available for Plan Benefits</i>		
Net investment income, including net appreciation in fair value of investments	993,431	
Interest on guaranteed investment contracts	15,855	
<i>Schedule of Assets (Held at End of Year) (see page 13)</i>		

NOTE 9 – PARTY-IN-INTEREST TRANSACTIONS

Plan investments include pooled separate accounts and guaranteed interest accounts managed by Principal Life Insurance Company, the custodian of the Plan. Transactions with Principal Financial Group qualify as exempt party-in-interest transactions. Fees paid by the Plan for investment management services to Principal Financial Group were \$25,145 for the year ended December 31, 2009.

NOTE 10 – PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right to terminate the Plan and discontinue its contributions at any time. If the Plan is terminated, amounts allocated to a participant's account become fully vested.

WASHINGTON ALDER LLC 401(K)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 11 – RECONCILIATION TO FORM 5500

The following are reconciliations of net assets available for benefits between the financial statements and the Form 5500 as of December 31:

	<u>2009</u>	<u>2008</u>
Net assets available for benefits per the financial statements	\$ 6,124,736	\$ 5,139,955
Adjustments for difference between fair value and contract value of GICs	<u>(4,043)</u>	<u>—</u>
Net assets per the Form 5500	<u>\$ 6,120,693</u>	<u>\$ 5,139,955</u>
Net increase in net assets available for Plan benefits per financial statement	\$ 984,781	
Adjustments for difference between fair value and contract value of GICs	<u>(4,043)</u>	
Net income per Form 5500	<u>\$ 980,738</u>	

NOTE 12 – SUBSEQUENT EVENT

Effective January 1, 2010, Cascade Hardwood, LLC, Port Angeles Hardwood, LLC, and all eligible employees of said companies are no longer part of the Plan. The participant assets of Cascade Hardwood, LLC and Port Angeles Hardwood, LLC were rolled into legally separate employee benefit plans administered by the respective management of each company. The Washington Alder LLC 401(k) was amended to include only eligible employees of Washington Alder LLC. The amendment to the Plan also included the removal of the safe harbor provisions that had previously been adopted by the Plan. As a result, future employer contributions will be discretionary rather than mandatory.

SUPPLEMENTAL SCHEDULE
REQUIRED BY THE DEPARTMENT OF LABOR

WASHINGTON ALDER LLC 401(K)

EIN: 91-1857486

PLAN #: 001

SCHEDULE H, LINE 4(i)–SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2009

Line 4(i) – Schedule of Assets (Held at End of Year)

(a)	(b) Issuer	(c) Investment Description	(d) Cost	(e) Current Value
*	Principal Lifetime 2020	Pooled Separate Account	**	\$ 1,005,299
*	Principal International Em. Market	Pooled Separate Account	**	567,823
*	Principal Money Market	Pooled Separate Account	**	535,770
*	Principal Lifetime 2010	Pooled Separate Account	**	476,473
*	Principal Lifetime 2030	Pooled Separate Account	**	439,902
*	Principal Lifetime 2040	Pooled Separate Account	**	386,258
*	Principal Large Cap. S&P 500 Index	Pooled Separate Account	**	291,844
*	Principal Government & HQ Bond	Pooled Separate Account	**	190,738
*	Principal Small Co. Blend	Pooled Separate Account	**	175,552
*	Principal International Small Co.	Pooled Separate Account	**	168,964
*	Principal Med. Co. Blnd.	Pooled Separate Account	**	165,906
*	Principal Large Cap. Gr. II.	Pooled Separate Account	**	146,125
*	Principal U.S. Property	Pooled Separate Account	**	131,875
*	Principal Lifetime Str. Inc.	Pooled Separate Account	**	110,280
*	Principal Divers International	Pooled Separate Account	**	97,892
*	Principal Bond and Mtg.	Pooled Separate Account	**	86,738
*	Principal Lifetime 2050	Pooled Separate Account	**	66,029
*	Principal Lifetime 2045	Pooled Separate Account	**	19,192
*	Principal Lifetime 2015	Pooled Separate Account	**	18,174
*	Principal Fin. Group Inc. Stk.	Pooled Separate Account	**	11,559
*	Principal Lifetime 2035	Pooled Separate Account	**	5,342
*	Principal Core Plus Bond I	Pooled Separate Account	**	372
*	Principal Lifetime 2055	Pooled Separate Account	**	370
				<u>5,098,477</u>
	Thornburg Core Growth	Registered Investment Company	**	176,352
	MFS Core Equity A	Registered Investment Company	**	115,195
	Lord Abbett Dev Growth	Registered Investment Company	**	114,900
	Allianz NFJ Dividend Val	Registered Investment Company	**	112,535
	Columbia Small Cap Val	Registered Investment Company	**	100,569
				<u>619,551</u>
*	Principal Guaranteed Investment Contract	GIC, maturity 12/31/12, 2.17% interest as of December 31, 2009	**	163,914
*	Principal Guaranteed Investment Contract	GIC, maturity 12/31/13, 2.69% interest as of December 31, 2009	**	100,417
*	Principal Guaranteed Investment Contract	GIC, maturity 12/31/11, 1.64% interest as of December 31, 2009	**	47,255
*	Principal Guaranteed Investment Contract	GIC, maturity 12/31/09, 0.94% interest as of December 31, 2009	**	45,872
*	Principal Guaranteed Investment Contract	GIC, maturity 12/31/10, 0.94% interest as of December 31, 2009	**	45,207
				<u>402,665</u>
				<u>\$ 6,120,693</u>

* Denotes a party in interest to the Plan.

** Information is not required as investments are participant directed.

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

WASHINGTON ALDER LLC 401(K)

EIN 91 1857486
 PLAN NUMBER 001
 PLAN YEAR 01/01/2009 TO 12/31/2009

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
*	Principal Life Insurance Company	Ins Company General Guaranteed Interest	\$ 0.00	\$ 402,664.58
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SmCap Blend Sep Acct-R6	\$ 0.00	\$ 175,552.46
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap Blend Sep Acct-R6	\$ 0.00	\$ 165,905.78
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Govt & HQ Bond SA-R6	\$ 0.00	\$ 190,738.40
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Money Market Sep Acct-R6	\$ 0.00	\$ 535,770.07
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Intl Emerg Markets SA-R6	\$ 0.00	\$ 567,822.77
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Intl SmallCap Sep Acct-R6	\$ 0.00	\$ 168,964.27
*	Principal Life Insurance Company	Pooled Separate Accounts Prin U.S. Property Sep Acct-R6	\$ 0.00	\$ 131,875.39
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Bond and Mortgage SA-R6	\$ 0.00	\$ 86,737.70
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Diversified Intl SA-R6	\$ 0.00	\$ 97,892.16
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LgCap S&P 500 Index SA-R6	\$ 0.00	\$ 291,844.47
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LargeCap Growth II SA-R6	\$ 0.00	\$ 146,124.84
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2010 Sep Acct-R6	\$ 0.00	\$ 476,473.30
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2020 Sep Acct-R6	\$ 0.00	\$ 1,005,299.41
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2030 Sep Acct-R6	\$ 0.00	\$ 439,902.33

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

WASHINGTON ALDER LLC 401(K)

EIN 91 1857486
PLAN NUMBER 001
PLAN YEAR 01/01/2009 TO 12/31/2009

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2040 Sep Acct-R6	\$ 0.00	\$ 386,257.67
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2050 Sep Acct-R6	\$ 0.00	\$ 66,028.92
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime Strat Inc SA-R6	\$ 0.00	\$ 110,279.66
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Fin Grp, Inc. Stock SA-R6	\$ 0.00	\$ 11,559.26
	MFS Investment Management	Registered Investment Company MFS CORE EQUITY A FUND	\$ 0.00	\$ 115,195.00
	Columbia Funds	Registered Investment Company Columbia Small Cap Val I A Fd	\$ 0.00	\$ 100,570.32
	Lord Abbett	Registered Investment Company Lord Abbett Dev Growth A Fund	\$ 0.00	\$ 114,899.61
	Allianz	Registered Investment Company Allianz NFJ Div Value A Fund	\$ 0.00	\$ 112,534.51
	Thornburg	Registered Investment Company Thornburg Core Growth R5 Fund	\$ 0.00	\$ 176,351.97
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2015 Sep Acct-R6	\$ 0.00	\$ 18,174.02
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2035 Sep Acct-R6	\$ 0.00	\$ 5,341.65
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2045 Sep Acct-R6	\$ 0.00	\$ 19,192.16
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2055 Sep Acct-R6	\$ 0.00	\$ 369.40
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN CORE PLUS BOND I SA-R6	\$ 0.00	\$ 370.50