

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan 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). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
---	---	---

Part I	Annual Report Identification Information		
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☐		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>LIFESTYLE RETIREMENT PLAN</u> 2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>NCFII HOLDINGS INC. C/O MASCO CORPORATION</u> <u>21001 VAN BORN ROAD</u> <u>TAYLOR, MI 48180</u>	1b Three-digit plan number (PN) ►	<u>010</u>	
	1c Effective date of plan	<u>01/01/2000</u>	
	2b Employer Identification Number (EIN)	<u>56-1977928</u>	
	2c Sponsor's telephone number	<u>313-274-7400</u>	
	2d Business code (see instructions)	<u>337000</u>	

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	<u>Filed with authorized/valid electronic signature.</u>	<u>10/10/2011</u>	<u>STEPHEN ARMBRUSTER</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	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

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

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") NCFII HOLDINGS INC. C/O MASCO CORPORATION 21001 VAN BORN ROAD TAYLOR, MI 48180	3b Administrator's EIN 56-1977928 3c Administrator's telephone number 313-274-7400
---	---

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
---	-----------------------------------

5 Total number of participants at the beginning of the plan year	5	9078
---	----------	------

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	0
b Retired or separated participants receiving benefits.....	6b	5120
c Other retired or separated participants entitled to future benefits.....	6c	2727
d Subtotal. Add lines 6a , 6b , and 6c	6d	7847
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	689
f Total. Add lines 6d and 6e	6f	8536
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
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	
--	----------	--

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1C 1G 1I 3D 3H

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
---	---

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) ☐ **A** (Insurance Information)
 (4) ☐ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
--	--	---

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>LIFESTYLE RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>010</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>NCFII HOLDINGS INC. C/O MASCO CORPORATION</u>	D Employer Identification Number (EIN) <u>56-1977928</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2010</u>
2	Assets:
a	Market value 2a <u>120033411</u>
b	Actuarial value 2b <u>132036752</u>
3	Funding target/participant count breakdown
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>6042</u> <u>138370831</u>
b	For terminated vested participants 3b <u>3037</u> <u>50206515</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>0</u>
(2)	Vested benefits 3c(2) <u>0</u>
(3)	Total active 3c(3) <u>0</u>
d	Total 3d <u>9079</u> <u>188577346</u>
4	If the plan is at-risk, check the box and complete items (a) and (b) ☒
a	Funding target disregarding prescribed at-risk assumptions 4a <u>187090473</u>
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor 4b <u>194524836</u>
5	Effective interest rate 5 <u>6.54</u> %
6	Target normal cost 6 <u>840884</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	
Signature of actuary	Date
<u>EDDIE L VAUGHN, F.S.A.</u>	<u>11-04715</u>
Type or print name of actuary	Most recent enrollment number
<u>FINDLEY DAVIES, INC.</u>	<u>336-271-2009</u>
Firm name	Telephone number (including area code)
<u>800 GREEN VALLEY ROAD, SUITE 102</u> <u>GREENSBORO, NC 27408-7028</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2010
v.092308.1

Part II	Beginning of year carryover and prefunding balances	(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	0	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	0	0
10	Interest on item 9 using prior year's actual return of <u>18.52</u> %	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		105598
b	Interest on (a) using prior year's effective rate of <u>8.19</u> %		8648
c	Total available at beginning of current plan year to add to prefunding balance		114246
d	Portion of (c) to be added to prefunding balance.....		0
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	0	0

Part III	Funding percentages		
14	Funding target attainment percentage.....	14	70.57 %
15	Adjusted funding target attainment percentage.....	15	70.57 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	72.76 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV	Contributions and liquidity shortfalls				
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/13/2010	2258666				
07/14/2010	2258666				
09/15/2010	14428				
10/08/2010	2265880				
01/12/2011	2265880				
09/08/2011	3520000				
			Totals ►	18(b)	12583520
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	11861283

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☒ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 4.60 %	2nd segment: 6.65 %	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code)	21b			0
22 Weighted average retirement age	22			65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	840884
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	56540594	11015933
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	11856817
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	11856817
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	11861283
38 Interest-adjusted excess contributions for current year (see instructions).....	38	4466
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

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)**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)**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)**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)**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) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan LIFESTYLE RETIREMENT PLAN	B Three-digit plan number (PN)	010
C Plan sponsor's name as shown on line 2a of Form 5500 NCFII HOLDINGS INC. C/O MASCO CORPORATION	D Employer Identification Number (EIN) 56-1977928	

Part I	Asset and Liability Statement
---------------	--------------------------------------

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)	6261850	5785880
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
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)		
(11) Value of interest in master trust investment accounts	1c(11)	114043420	120705558
(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)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(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	120305270	126491438

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	127112	98589
k Total liabilities (add all amounts in lines 1g through 1j)	1k	127112	98589

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	120178158	126392849
---	-----------	-----------	-----------

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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	12583520	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		12583520
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(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)		
(B) Other	2b(5)(B)		
(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)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		8427552
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		21011072

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	14796381	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		14796381
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		14796381

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		6214691
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

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: PRICEWATERHOUSECOOPERS LLP

(2) EIN: 13-4008324

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	
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	
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	
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	
e Was this plan covered by a fidelity bond?.....	X		20000000
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.).....			
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)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>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).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan LIFESTYLE RETIREMENT PLAN		B Three-digit plan number (PN) ► 010
C Plan sponsor's name as shown on line 2a of Form 5500 NCFII HOLDINGS INC. C/O MASCO CORPORATION		D Employer Identification Number (EIN) 56-1977928
Part I	Distributions	
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.....		10
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): 38-2470859		
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.....		19
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	
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		
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.	
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) 2010 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: 57% Investment-Grade Debt: 23% High-Yield Debt: 2% Real Estate: _____% Other: 18%

- 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): _____



Report of Independent Auditors

To the Participants and Administrator of
Lifestyle Retirement Plan:

We were engaged to audit the financial statements of Lifestyle Retirement Plan (the "Plan") at December 31, 2010 and 2009 and for the year ended December 31, 2010, as listed in the accompanying index. These financial statements 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 I, which was certified by The Northern Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2010 and 2009 and for the year ended December 31, 2010, that the information provided to the plan administrator by the trustee 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 taken as a whole. The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, 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.

As explained in Note A, the Plan was frozen effective December 31, 2001 for most of the Plan's divisions. The Plan was frozen for the remaining divisions on March 31, 2002.

PricewaterhouseCoopers LLP

Detroit, Michigan
October 5, 2011

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). File as an attachment to Form 5500 or 5500-SF.	<small>OMB No. 1210-0110</small> 2010 This Form Is Open to Public Inspection
---	--	--

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ Round off amounts to nearest dollar.

▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan LifeStyle Retirement Plan	B Three-digit plan number (PN) <u>010</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF NCFII Holdings, Inc.	D Employer Identification Number (EIN) 56-1977928
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2010</u>			
2 Assets:			
a Market value	2a		120,033,411
b Actuarial value	2b		132,036,752
3 Funding target/participant count breakdown			
		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	6,042	138,370,831
b For terminated vested participants	3b	3,037	50,206,515
c For active participants:			
(1) Non-vested benefits	3c(1)		0
(2) Vested benefits	3c(2)		0
(3) Total active	3c(3)	0	0
d Total	3d	9,079	188,577,346
4 If the plan is at-risk, check the box and complete items (a) and (b) ☒			
a Funding target disregarding prescribed at-risk assumptions	4a		187,090,473
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b		194,524,836
5 Effective interest rate	5		6.54 %
6 Target normal cost	6		840,884

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<div style="text-align: center;"> Signature of actuary EDDIE L. VAUGHN, F.S.A. Type or print name of actuary FINDLEY DAVIES, INC. Firm name 800 GREEN VALLEY ROAD, SUITE 102 Address of the firm GREENSBORO NC 27408-7028 </div>	<div style="text-align: center;"> Date 11-04715 Most recent enrollment number (336) 271-2009 Telephone number (including area code) </div>
------------------	---	--

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see Instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2010
v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	0	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus Item 8)	0	0
10 Interest on Item 9 using prior year's actual return of <u>18.52</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		105,598
b Interest on (a) using prior year's effective rate of <u>8.19</u> %		8,648
c Total available at beginning of current plan year to add to prefunding balance		114,246
d Portion of (c) to be added to prefunding balance		0
12 Reduction in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (Item 9 + Item 10 + Item 11d - Item 12)	0	0

Part III Funding percentages

14 Funding target attainment percentage	14	70.57 %
15 Adjusted funding target attainment percentage	15	70.57 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	72.76 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/13/2010	2,258,666				
07/14/2010	2,258,666				
09/15/2010	14,428				
10/08/2010	2,265,880				
01/12/2011	2,265,880				
09/08/2011	3,520,000				
Totals ▶			18(b)	12,583,520	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	11,861,283

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☒ No
- c** If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost**21 Discount rate:****a Segment rates:**1st segment:
4.60 %2nd segment:
6.65 %3rd segment:
6.76 %☐ N/A, full yield curve used**b Applicable month (enter code)****21b**

0

22 Weighted average retirement age**22**

65

23 Mortality table(s) (see Instructions)☐

Prescribed - combined

☒

Prescribed - separate

☐

Substitute

Part VI Miscellaneous Items**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.☐

Yes

☒

No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.☒

Yes

☐

No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.☐

Yes

☒

No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.**27****Part VII Reconciliation of unpaid minimum required contributions for prior years****28** Unpaid minimum required contribution for all prior years**28**

0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (Item 19a)**29**

0

30 Remaining amount of unpaid minimum required contributions (Item 28 minus Item 29)**30**

0

Part VIII Minimum required contribution for current year**31** Target normal cost, adjusted, if applicable (see instructions)**31**

840,884

32 Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment

56,540,594

11,015,933

b Waiver amortization installment

0

0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount**33****34** Total funding requirement before reflecting carryover/prefunding balances (Item 31 + item 32a + item 32b - item 33)**34**

11,856,817

35 Balances used to offset funding requirement

Carryover balance

Prefunding balance

Total balance

0

0

0

36 Additional cash requirement (Item 34 minus Item 35)**36**

11,856,817

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)**37**

11,861,283

38 Interest-adjusted excess contributions for current year (see Instructions)**38**

4,466

39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)**39**

0

40 Unpaid minimum required contribution for all years**40**

0

Schedule SB, line 4 – Additional Information for Plans in At-Risk Status
LifeStyle Retirement Plan
January 1, 2010 Valuation
EIN/PN: 56-1977928 / 010

***At-Risk Funding
Assumptions***

For purposes of anticipating early payment of retirement benefits under the regulations relating to at-risk assumptions, all vested participants who are at or past the normal retirement age are assumed to retire immediately. Participants who will be eligible to collect benefits within the 10 years following the current plan year are assumed to commence an immediate distribution at the earliest retirement age under the plan, but no earlier than the end of the current plan year. All participants who are eligible for a cash balance settlement are assumed to receive a distribution at the end of the current plan year.

Schedule SB, line 25 – Change in Method
LifeStyle Retirement Plan
January 1, 2010 Valuation
EIN/PN: 56-1977928 / 010

***Changes in Methods
since the Last
Actuarial Valuation***

The full yield curve with the interest rates for October which are published in November was used for determining the funding target last year. The segmented interest rates for January 2010 are being used for the current plan year.

Automatic approval for the change in interest rate methodology is granted per Reg. 1.430(h)(2)-1(h)(3).

Schedule SB, line 32 – Schedule of Shortfall Amortization Bases
 LifeStyle Retirement Plan
 January 1, 2010 Valuation
 EIN/PN: 56-1977928 / 010

EXHIBIT VII
SCHEDULE OF AMORTIZATION BASES

Plan Year Beginning		1/01/2010		
	Date Established	Present Value of Pavments	Remaining Years	Amortization Installment
Shortfall Amortization Bases	1/01/2010	\$ 15,582,121	7.00	\$ 2,604,190
	1/01/2009	17,855,215	6.00	3,366,425
	1/01/2008	<u>23,103,258</u>	5.00	<u>5,045,318</u>
	Total	\$ 56,540,594		\$ 11,015,933
Waiver Amortization Bases	1/01/2010	\$ 0		\$ 0

Schedule SB, line 18 – Schedule of Contributions Made to the Plan for the Plan Year
Schedule SB, line 19 – Discounted Employer Contributions
LifeStyle Retirement Plan
January 1, 2010 Valuation
EIN/PN: 56-1977928 / 010

CONTRIBUTIONS

Plan Year Beginning

1/01/2010

	Date	Amount paid by Employer(s)	Amount paid by Employees	Amount Discounted To 1/01/2010 ¹
<i>Contributions Made to the Plan for the Plan Year by Employer(s) And Employees</i>	4/13/2010	\$ 2,258,666	\$ 0	\$ 2,219,032
	7/14/2010	2,258,666	0	2,183,802 ²
	9/15/2010	14,428	0	13,691 ³
	10/08/2010	2,265,880	0	2,158,397
	1/12/2011	2,265,880	0	2,122,731
	9/08/2011	<u>3,520,000</u>	<u>0</u>	<u>3,163,630</u>
	Total	\$12,583,520	\$ 0	\$11,861,283

¹Contributions are discounted using the 2010 effective interest rate of 6.54%.

²Includes penalty interest on a portion of the contribution (\$7,214) to 4/15/2010 at 11.54%

³Includes penalty interest to 7/15/2010 at 11.54%.

APPENDIX B

STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rates

Funding: 24-month segment rates published in the month of January 2010:

- | | | |
|----|--|-------|
| a. | First Rate, Years 1-5 | 4.60% |
| b. | Second Rate, Years 5-20 | 6.65% |
| c. | Third Rate, Years 20+ | 6.76% |
| d. | Effective Interest Rate using the above rates | 6.54% |
| e. | Interest rate for developing expected value of assets, but not more than applicable statutory limits | 8.00% |

Salary Scale

N/A

Mortality

All Purposes: RP-2000 Mortality Table (male and female) projected to the valuation year plus 15 years for nonannuitants and projected to the valuation year plus 7 years for annuitants (static, non-generational).

Retirement Age

All vested terminated participants are assumed to retire at age 65 or age on the valuation date if greater.

Rates of Disability

None.

Rates of Turnover

None.

Assumptions Made In Valuing Spouse's Benefit

Seventy percent of the male and fifty percent of the female vested terminated participants included in the valuation are assumed to be married. The wife is assumed to be three years younger than the husband.

Optional Form Election

All unmarried participants who are not eligible for a cash balance are assumed to elect a life annuity form of payment and all married participants are assumed to elect a joint and 50% survivor annuity.

All participants who are eligible for a cash balance are assumed to receive a lump sum at decrement. Therefore no assumptions relating to the conversion of the cash balance account into an annuity are needed.

No subsidies related to other optional forms exist.

APPENDIX B (Continued)

***Annual Increases to
Social Security***

Taxable Wage Base: N/A

***Provision for
Expenses***

The expected administrative (i.e. non-investment) expenses that will be paid from plan assets, which were assumed to equal actual expenses during the prior year, were included in the Target Normal Cost for minimum contribution purposes.

Asset Method

Funding: Market Value of Assets plus interest adjusted accrued but unpaid contributions as of the valuation date plus an adjustment to defer full recognition of investment losses and gains over a two-year period. The investment (gain)/loss for every year equals the market value at the beginning of the year projected to the end of the year using the interest rate above, but no greater than the third segment rate for the plan year, minus the end of the year actual market value. The actuarial value of assets will be no less than 90% and no more than 110% of the market value (including interest-adjusted accrued but unpaid contributions). Note that due to the regulatory constraint on the interest rate, a characteristic of this asset valuation method is that, over time, it may be more likely to produce an actuarial value of assets that is less than the market value of assets.

***At-Risk Funding
Assumptions***

For purposes of anticipating early payment of retirement benefits under the regulations relating to at-risk assumptions, all vested participants who are at or past the normal retirement age are assumed to retire immediately. Participants who will be eligible to collect benefits within the 10 years following the current plan year are assumed to commence an immediate distribution at the earliest retirement age under the plan, but no earlier than the end of the current plan year. All participants who are eligible for a cash balance settlement are assumed to receive a distribution at the end of the current plan year.

Employees Valued

All inactive participants of the plan as of the valuation date as reported by the employer were valued. There are no longer any active employees of the company.

Schedule SB, Part V – Summary of Plan Provisions
LifeStyle Retirement Plan
January 1, 2010 Valuation
EIN/PN: 56-1977928 / 010

APPENDIX A

SUMMARY OF PRINCIPAL PLAN PROVISIONS

<i>Plan Sponsor</i>	NCFII Holdings, Inc.
<i>EIN/PN</i>	56-1977928/010
<i>Effective Date</i>	January 1, 2000, amended effective December 31, 2001, last amended December 13, 2003.
<i>Plan Year</i>	The 12-month period beginning each January 1.
<i>Participation</i>	An employee becomes a participant on the date of hire. Participation was frozen with respect to new participants for the Drexel, Maitland Smith, Henredon, BenchCraft and Universal divisions as of December 31, 2001 and the remaining divisions on March 31, 2002.
<i>Compensation</i>	Total wages, salary, commissions, overtime and bonuses paid in services rendered as reported in box 1 of Form W-2. Also included amounts contributed by the employer on behalf of the employees pursuant to a salary reduction agreement which are not includible in the gross income of the employee under Section 125, 402(e)(3), 402(H) or 403(b) of the Code.
<i>Year of Service</i>	One Year of Service is earned for each plan year during which 1,000 or more hours of service are completed.
<i>Retirement Accounts</i>	A Retirement Account will be established for each participant, the initial balance of which will be zero for a participant hired after the transition date or the actuarial equivalent lump sum of the accrued benefit at transition for a participant who was a participant of the prior plan.
<i>Service Credits</i>	As of the last day of the plan year, the Retirement Account of each active participant shall be credited with an amount equal to 1.5% of such participant's compensation for such plan year. Terminated employees receive service credit if 1,000 more hours of service are completed in the year of termination. Service credits were frozen for the Drexel, Maitland Smith, Henredon, BenchCraft and Universal divisions December 31, 2001 and the remaining divisions on March 31, 2002.
<i>Interest Credits</i>	As of the last day of the plan year and before application of the Service Credits, the Retirement Account of each participant will be given an interest credit equal to the account balance multiplied by the annual rate of interest on 30-year Treasury Securities established in January of such plan year.

APPENDIX A (Continued)

Normal Retirement Benefit

Eligibility:

Age 65 or, if later, the fifth anniversary of joining the Plan.

Monthly Benefit:

The greater of (i) the actuarial equivalent of the balance in the participant's Retirement Account or (ii) the participant's transition benefit.

Termination Benefit

Eligibility:

Upon termination of employment prior to Normal Retirement after completion of at least five Years of Service.

Monthly Benefit:

If the actuarial equivalent benefit payable as of Normal Retirement Age of the balance in the participant's Retirement Account is greater than the participant's transition benefit, a benefit payable immediately equal to the actuarial equivalent of the balance in the participant's Retirement Account.

If the participant's transition benefit is greater than the actuarial equivalent benefit payable as of Normal Retirement Age of the balance in the participant's Retirement Account, the transition benefit payable per the applicable provisions of the prior plan.

Death Benefit

Eligibility:

Upon death, provided participant is 100% vested.

Monthly Benefit:

(i) If the participant's beneficiary is his surviving spouse, the surviving spouse shall be entitled to receive the greater of a) the participant's Retirement Account or b) the lump sum equivalent of the minimum death benefit, this shall be paid as a qualified Joint and Survivor Annuity or in a single sum payment.

(ii) If the participant's beneficiary is not his surviving spouse, his beneficiary shall receive the balance in the participant's Retirement Account.

The minimum death benefit is the benefit that would be payable to a participant's spouse had the participant terminated service on his date of death or actual termination date if earlier, commenced a 50% Joint and Survivor benefit at the earliest possible date and died on the day thereafter.

APPENDIX A (Continued)

<i>Benefits Available as Lump Sums</i>	This plan pays small benefit amounts (lump sums less than \$5,000) automatically, and (for certain divisions) participants can elect a lump sum if the lump sum value is over \$5,000.
<i>Transition Date</i>	Generally April 1, 2000. January 1, 2000 for Maitland Smith employees.
<i>Transition Benefit</i>	For the 10-year period beginning with the transition date, the accrued benefit and other ancillary plan features as determined under the applicable provisions of the prior plan payable as of age 65. For a participant who was not a participant in the prior plan, no transition benefit is payable. Details regarding the prior plan provisions can be found in the current and prior plan documents.
<i>Optional Forms</i>	<p>Actual forms available to participants will vary by prior plan. The optional forms available from all prior plans are as follows:</p> <p>Single Life Annuity - This form provides monthly payments during the Participant's lifetime. The payments are the actuarial equivalent value of the Normal Form of Benefit. No payments are made after the Participant dies.</p> <p>50%, 75% and 100% Joint & Survivor Annuity – This form provides reduced monthly payments during the Participant's lifetime with monthly payments to the surviving spouse after the Participant's death equal to 50%, 75% and 100%, respectively, of the amount paid during the Participant's lifetime. The payments are the actuarial equivalent value of the Normal Form of Benefit.</p> <p>5, 10, 15, 20 Year Certain and Life Annuity - This form provides monthly payments during the Participants lifetime with a minimum guaranteed number of payments to a designated beneficiary. The payments are the actuarial equivalent value of the Normal Form of Benefit.</p> <p>Level Income Option – an increased annuity payable until age 62 and a reduced benefit thereafter such that the benefit prior to age 62 is equal to the sum of the benefit after age 62 plus Social Security. The payments are the actuarial equivalent value of the Normal Form of Benefit.</p> <p>Full Cash Refund – This form provides monthly payments during the Participant's lifetime. Upon the participant's death, a single lump sum of the present value of the remaining vested retirement benefit as of their retirement date is paid to the beneficiary.</p>

APPENDIX A (Continued)

***Optional Forms
(continued)***

Social Security Leveling Annuity – This form provides increased monthly payments prior to the participant's Normal Retirement Date and reduced monthly payments after the participant's Normal Retirement Date. The total of the plan benefit and the Social Security should be approximately constant throughout retirement.

Lump Sum – This form provides a single payment equal to the actuarial equivalent value of the annuity, or the amount of the cash balance account.

The optional forms of payment are actuarially equivalent to the normal form of payment and are determined using mortality and interest assumptions defined in the applicable prior plan.

***Maximum Benefit
Limit***

The Internal Revenue Code Section 415 Maximum Benefit payable as a life annuity at Social Security Normal Retirement Age.

***Plan Compensation
Limit***

The Section 401(a)(17) Maximum Compensation that can be recognized for benefit calculation purposes.

***Changes in Plan
Provisions***

None.

LIFESTYLE RETIREMENT PLAN

**STATEMENTS OF NET ASSETS AVAILABLE
FOR BENEFITS**

December 31, 2010 and 2009

ASSETS	<u>2010</u>	<u>2009</u>
Investments, at fair value:		
Plan interest in Master Trust (Note C)	\$120,705,558	\$114,043,420
Employer contribution receivable	<u>5,785,880</u>	<u>6,261,850</u>
Total assets	126,491,438	120,305,270
LIABILITIES		
Accrued expenses	<u>98,589</u>	<u>127,112</u>
Total liabilities	<u>98,589</u>	<u>127,112</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$126,392,849</u>	<u>\$120,178,158</u>

The accompanying notes are an integral part of the financial statements.

LIFESTYLE RETIREMENT PLAN

**STATEMENTS OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS**

for the years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Plan interest in Master Trust		
Investment income (Note C)	\$ 10,242,005	\$ 19,659,378
Employer contributions	12,583,520	10,045,840
Benefit payments	(14,796,381)	(14,749,601)
Administrative expenses & other, net	<u>(1,814,453)</u>	<u>(1,853,204)</u>
Net increase	6,214,691	13,102,413
Net assets available for benefits:		
Beginning of year	<u>120,178,158</u>	<u>107,075,745</u>
End of year	<u>\$126,392,849</u>	<u>\$120,178,158</u>

The accompanying notes are an integral part of the financial statements.

LIFESTYLE RETIREMENT PLAN

STATEMENT OF ACCUMULATED PLAN BENEFITS

as of January 1, 2010

Actuarial present value of accumulated plan
benefits (Note G):

Vested benefits:

Participants currently receiving payments	\$145,797,491
Other participants	<u>58,225,793</u>

Total vested actuarial present value of accumulated plan benefits	<u>\$204,023,284</u>
--	----------------------

The accompanying notes are an integral part of the financial statements.

LIFESTYLE RETIREMENT PLAN

STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS

for the period from January 1, 2009 to January 1, 2010

Actuarial present value of accumulated plan benefits at January 1, 2009	\$196,527,369
Increase (decrease) during 2009 due to (Note G):	
Benefits paid	(14,749,601)
Benefits accumulated	(227,561)
Change in assumptions	10,783,721
Increase for interest due to decrease in discount period	<u>11,689,356</u>
Total increase	<u>7,495,915</u>
Actuarial present value of accumulated plan benefits at January 1, 2010	<u>\$204,023,284</u>

The accompanying notes are an integral part of the financial statements.

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

A. Description of Plan:

The following brief description of the LifeStyle Retirement Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Effective July 2002, NCFII Holdings, Inc., an entity created to oversee the LifeStyle Furnishings International Ltd.'s (the "Company" or "LFI") Plans and a subsidiary of Masco Corporation, became the Plan Sponsor for the Plan.

1. *General.* The Plan was formed on January 1, 2000; however, no assets or liabilities were transferred to the Plan until April 1, 2000. The Plan is a defined benefit pension plan covering eligible employees at various divisions and subsidiaries of the Company. Eligible employees participate in the Plan on their date of hire. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan is a cash balance plan which, before it was frozen, provided for individual participant retirement accounts that increase with benefit credits based on annual compensation and investment income. These individual accounts are portable so that each vested participant who terminates from the Plan is entitled to remove their balance.

As a result of the sale of all of the subsidiaries and assets of the company, there are no longer any active participants in the Plan. All benefits under the Plan (if any) for employees terminated on their division sale dates were 100% vested, to the extent then funded, regardless of their years of service; however, funds in the Plan as of the sale dates were sufficient to fund benefits only for employees who had five or more years of service on the sale dates.

Effective December 31, 2001, in anticipation of the sale of the assets and businesses of the Company's operating divisions and subsidiaries, all benefit accruals under the Plan were frozen for employees of all LFI divisions except for Robert Allen and Lexington and employees of Furnishings International Inc. ("FII"), for which benefit accruals were frozen effective March 31, 2002. As a result, there will be no increases in benefits under the Plan, and no new participants will be added to the Plan from and after December 31, 2001 or, in the case of Robert Allen, Lexington, and FII, from and after March 31, 2002.

2. *Pension Benefits.* Participants with five or more years of credited service or who have attained normal retirement age (65) are entitled to vested annual pension benefits beginning at normal retirement age. Generally, employees may elect to receive their pension benefits in the form of a joint and survivor annuity, lifetime annuity or period certain annuity.

3. *Death and Disability Benefits.* If a vested participant dies before retirement, a pre-retirement survivor annuity is paid to the participant's beneficiary. This survivor annuity is payable on the first day of the calendar month following the participant's death or as soon as practicable thereafter. Disability retirement benefits are subject to offsets as described in the Plan agreement.

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

A. Description of Plan, concluded:

4. *Funding Policy.* The contributions of the Company are designed to fund an amount which falls between the minimum contribution requirements and the maximum deductible allowance, as determined annually under the provisions of the Internal Revenue Code. The yield on investments of the Plan serves to reduce future contributions that would otherwise be required to provide for the defined level of benefits under the Plan. The Company's contributions for 2010 and 2009 met or exceeded the minimum funding requirements of ERISA. No participant in the Plan is required to make a contribution under the Plan.

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

B. Accounting Policies:

The following is a summary of significant accounting policies (in accordance with accounting principles generally accepted in the United States of America) followed in the preparation of these financial statements.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of additions and deductions during the reporting period. Actual results could differ from these estimates and assumptions.

Risks and Uncertainties

The Plan's invested assets ultimately consist of stocks, bonds, fixed income securities and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the value of investment securities in the near term could materially affect the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

The plan invests in securities with contractual cash flows, such as asset backed securities, collateralized mortgage obligations and commercial mortgage backed securities, including securities backed by subprime mortgage loans. The value, liquidity and related income of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

B. Accounting Policies, continued:

Plan contributions and the actuarial present value of accumulated plan benefits are prepared based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Investment Valuation and Income Recognition

Investments represent the Plan's pro rata interest in the fair value of the net assets of the Masco Corporation Retirement Master Trust ("Master Trust") as determined by The Northern Trust Company ("Trustee"), using quoted closing market prices with the exception of the limited partnership investments, which are based on estimated fair value and the Common Collective Trust Fund, which is based on amortized cost, as of December 31, 2010 and 2009.

Investment transactions are reflected on a trade-date basis. Realized gains and losses on investments are based on average cost. Interest income is recognized on the accrual basis of accounting. Dividend income is recorded on the ex-dividend date. Income from other securities is recorded as earned on an accrual basis.

The Plan presents in the statements of changes in net assets available for benefits the investment income from its interest in the Master Trust. The investment income is comprised of the net appreciation in the fair value of its investments which consists of the Plan's pro rata interest in the realized gains or losses and the unrealized appreciation of the investments of the Master Trust. Also included are the Plan's pro rata share of the interest and dividend income of the Master Trust.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Other

Certain administrative expenses incurred by the Plan are paid by the Company.

Subsequent Event

The Company has evaluated subsequent events through October 5, 2011, the date the Lifestyle Retirement Plan financial statements were available to be issued.

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

B. Accounting Policies, concluded:

New Accounting Pronouncements

In May 2011, the FASB issued *Accounting Standards Update 2011-04 Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards ("IFRS")*. This update is intended to improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. GAAP and IFRS. The update is effective for annual periods beginning after December 15, 2011. Plan management is in the process of evaluating the impact of the adoption of this update on the Plan's financial statements and does not anticipate any significant impact to the Plan.

C. Investments:

The Plan's investments at December 31, 2010 and 2009 include its 29.4 and 30.2 percent participation in the Master Trust, respectively.

The following table presents the fair value of certain of the Master Trust's assets at December 31, 2010 and 2009 (in addition, see Securities Lending for assets held as collateral). Investments that represent five percent or more of the Master Trust are separately identified.

	<u>Master Trust</u>	
	<u>2010</u>	<u>2009</u>
Common and Preferred Stocks	\$235,884,667	\$230,894,204
Corporate Debt Securities	25,230,861	30,819,221
Government and Other Debt Securities	90,039,560	60,993,447
Private Equity Funds	51,756,443	34,048,455
Common Collective Trust Fund	7,200,544	19,600,657
Short-Term and Other Investments	853,816	1,080,464
	<u>\$410,965,891</u>	<u>\$377,436,448</u>

With respect to the Master Trust's investments in private equity funds, the Master Trust had, at December 31, 2010 and 2009, commitments to contribute up to \$16 million and \$21 million, respectively of additional capital to such funds representing the Master Trust's aggregate capital commitment to such funds less capital contributions made to date. The Master Trust is contractually obligated to make additional capital contributions to certain of its private equity funds upon receipt of a capital call from the private equity fund. The Master Trust has no control over when or if the capital calls will occur. Capital calls are funded in cash and generally result in an increase in the carrying value of the Master Trust's investment in the private equity fund when paid.

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

C. Investments, continued:

Investment income represents interest and dividend income plus realized and unrealized gains and losses. Investment income of the Master Trust for the years ended December 31, 2010 and 2009 was \$43,691,596 and \$74,149,787 respectively (net of administrative expenses of \$1,869,617 and \$1,805,552 for the years ended December 31, 2010 and 2009, respectively). Investment income is summarized as follows:

December 31, 2010

	<u>Interest</u>	<u>Dividends</u>	<u>Net Appreciation</u>
Master Trust:			
Common and Preferred Stocks	\$ ---	\$3,434,618	\$ 24,911,873
Private Equity Funds	---	---	6,096,912
Corporate Debt Securities	1,581,395	---	1,451,374
Government and Other Debt Securities	2,088,455	---	5,156,831
Common Collective Trust Fund	28,613	---	---
Short-Term & Other Investments	370,217	---	440,925

December 31, 2009

	<u>Interest</u>	<u>Dividends</u>	<u>Net Appreciation</u>
Master Trust:			
Common and Preferred Stocks	\$ ---	\$4,669,396	\$ 44,222,676
Private Equity Funds	---	26,216	15,144,970
Corporate Debt Securities	1,662,021	---	3,969,000
Government and Other Debt Securities	1,672,802	---	2,539,462
Common Collective Trust Fund	93,694	---	---
Short-Term & Other Investments	499,518	---	1,455,584

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

C. Investments, continued:

Securities Lending:

During 2006, Masco Corporation entered into an agreement with The Northern Trust Company authorizing the Trustee to lend securities held in the Master Trust to third parties. The Trustee must obtain collateral from the borrower in the form of U.S. Government securities, irrevocable bank letters of credit, or cash. The cash collateral is invested in interest bearing accounts with The Northern Trust Company, valued based on the active market on which the securities are traded, or based on the active market for similar securities (Level 2). The total collateral for the securities loaned as of December 31, 2010 and 2009 was \$91,942,304 and \$161,329,451, respectively, of which \$520,024 and \$741 was non-cash for the years ended December 31, 2010 and 2009, respectively. Both the collateral and the securities loaned are marked-to-market on a daily basis so that all loaned securities are fully collateralized at all times. The Master Trust has a corresponding liability (equal to the collateral) to repay the collateral upon return of the securities. In the event that the loaned securities are not returned by the borrower, the Trustee will purchase equivalent securities by applying the collateral to the payment of the purchase price and demand from the borrower any remaining amounts due and owing. All recoveries will be credited to the Master Trust when received.

The fair value of securities loaned by the Master Trust as of December 31, 2010 and 2009 is \$89,743,155 and \$156,477,173, respectively, as shown below by type of securities:

	<u>2010</u>	<u>2009</u>
Common stocks	\$ 84,978,037	\$150,647,210
Corporate debt securities	\$ 4,362,359	\$ 5,262,115
U.S. Government debt securities	\$ 402,759	\$ 567,848

The Master Trust and the Trustee each receive a percentage of the net income derived from securities lending activities based on the type of securities. Income earned by the Master Trust related to securities lending activities during 2010 and 2009 was \$252,953 and \$475,050, respectively, net of bank fees of \$108,318 and \$156,420 for the years ended December 31, 2010 and 2009, respectively.

Although the securities lending activities are collateralized as described above, they involve both market and credit risk. In this context, market risk refers to the possibility that the borrowed securities will not be fully collateralized upon a sudden material change in the fair value of the loaned securities or the collateral. In 2010, based on improving market conditions, the Master Trust did not incur any liability related to the securities lending activities. In 2009, due to a decline in the fair value of the collateral, the Master Trust incurred a liability to the borrowers in the amount of \$437,436, classified in short-term and other investments in preceding tables. Credit risk refers to the possibility that counterparties involved in the securities lending program may fail to perform in accordance with the terms of their contracts.

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

C. Investments, concluded:

Security lending in the Master Trust is handled via an electronic platform provided by Equilend, a joint venture of various securities lending agents and security borrowers, in which the Northern Trust Company, the Trustee, has an equity interest. Fees are not charged to the Master Trust for use of the services but are paid by the Trustee.

Since Northern Trust has a financial interest in the successful operation of Equilend, Equilend has obtained a Prohibited Transaction Exemption from the U.S. Department of Labor. The exemption (a) enables Northern Trust to use Equilend's platform for lending the securities of plans and (b) permits Equilend to sell or license ancillary products to Northern Trust or to a plan to which Equilend is a party-in-interest.

D. Fair Value Measurements:

On January 1, 2008, the Plan adopted accounting guidance regarding fair value for its financial assets and liabilities. Accounting guidance defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Accounting guidance defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." Accounting guidance further defines a fair value hierarchy, as follows: Level 1 inputs as quoted prices in active markets for identical assets or liabilities; Level 2 inputs as observable inputs other than Level 1 prices, such as quoted market prices for similar assets or liabilities or other inputs that are observable or can be corroborated by market data; and Level 3 inputs as unobservable inputs that are supported by little or no market activity and that are financial instruments whose value is determined using pricing models or instruments for which the determination of fair value requires significant management judgment or estimation.

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, 2010 and 2009.

Common and Preferred Stocks, Debt Securities, Government Securities and Short-Term and Other Investments: Valued at the closing price reported on the active market on which the individual securities are traded, or based on the active market for similar securities.

Private Equity Funds: Valued based on an estimated fair value. There is no active trading market for these investments and they are for the most part illiquid. Due to the significant unobservable inputs, the fair value measurements used to evaluate impairment are a Level 3 input.

Common Collective Trust Fund: Valued based on a unit value basis, which approximates fair value as of December 31, 2010 and 2009, respectively. Such basis is determined by reference to the respective fund's underlying assets, which are primarily marketable equity and fixed income securities. There are no unfunded commitments or other restrictions associated with this fund.

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

D. Fair Value Measurements, continued:

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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 sets forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2010 and 2009.

	Assets at Fair Value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Common and Preferred Stocks	\$216,062,204	\$ 19,822,463	\$ --	\$235,884,667
Private Equity Funds	--	--	51,756,443	51,756,443
Corporate Debt Securities	25,230,861	--	--	25,230,861
Government and Other Debt Securities	33,179,383	56,860,177	--	90,039,560
Common Collective Trust Fund	--	7,200,544	--	7,200,544
Short-Term and Other Investments	853,816	--	--	853,816
Total assets at fair value	<u>\$275,326,264</u>	<u>\$ 83,883,184</u>	<u>\$ 51,756,443</u>	<u>\$410,965,891</u>
	Assets at Fair Value as of December 31, 2009			
	Level 1	Level 2	Level 3	Total
Common and Preferred Stocks	\$213,849,985	\$ 17,044,219	\$ --	\$230,894,204
Private Equity Funds	--	--	34,048,455	34,048,455
Corporate Debt Securities	30,819,221	--	--	30,819,221
Government and Other Debt Securities	35,504,151	25,489,296	--	60,993,447
Common Collective Trust Fund	--	19,600,657	--	19,600,657
Short-Term and Other Investments	1,080,464	--	--	1,080,464
Total assets at fair value	<u>\$281,253,821</u>	<u>\$ 62,134,172</u>	<u>\$ 34,048,455</u>	<u>\$377,436,448</u>

In addition, see Securities Lending disclosure for levels of collateral assets.

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

D. Fair Value Measurements, concluded:

The table below sets forth a summary of changes in the fair value of the Master Trust's level 3 assets for the year ended December 31, 2010 and 2009.

	<u>Private Equity Funds</u>	
	<u>Year Ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
Balance, beginning of year	\$ 34,048,455	\$ 39,575,682
Dividends	--	26,216
Purchases, sales, issuances and settlements (net)	11,611,076	(6,798,899)
Unrealized gains	6,096,912	1,245,456
Balance, end of year	<u>\$ 51,756,443</u>	<u>\$ 34,048,455</u>

E. Income Tax Status:

The Internal Revenue Service determined and informed the Company by letter dated April 3, 2003 that the Plan and the related trust are designed in accordance with applicable sections of the Internal Revenue Code ("Code"). The Plan has since been amended; however, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. The Company has applied for a new determination letter and currently awaits approval. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period in progress.

F. Related Parties:

Certain plan investments are investments managed by The Northern Trust Company as the Plan Trustee. Therefore, the purchases and sales qualify as party-in-interest transactions.

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

G. Actuarial Present Value of Accumulated Plan Benefits:

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries and (b) beneficiaries of employees who have died. Benefits under the Plan are based on employees' credited years of service. Benefits payable under all circumstances (retirement, death, disability and termination of employment) are included to the extent they are deemed attributable to employee service rendered to the valuation date. The actuarial present value of accumulated plan benefits is determined by an actuary from Findley Davies and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, withdrawal or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation as of January 1, 2010 were (a) life expectancy of participants (the RP-2000 Combined Mortality Table for males and females projected to valuation year plus 15 years for non-annuitants and projected to the valuation year plus seven years for annuitants for 2010), (b) retirement age assumptions (the assumed retirement age was 65 for 2010), (c) discount rate assumption of 5.7 percent in 2010. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

H. Plan Termination:

Although there is no present intent to terminate the Plan, if the Plan were to terminate at some future time, the net assets of the Plan will be allocated to provide benefits for participants as prescribed by ERISA and its related regulations. To the extent unfunded vested benefits exist, such benefits will be paid by the Pension Benefit Guaranty Corporation, up to applicable limitations. Plan termination priorities are available from the Pension Benefit Guaranty Corporation.

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS, Concluded

I. Summary of Financial Data Provided by the Trustee:

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the following information was certified by the Trustee as complete and accurate and was not subjected to any auditing procedures performed by the independent auditors.

- a. Total investments, excluding private equity funds, as shown on the accompanying statements of net assets available for benefits of \$105,504,076 and \$103,755,589 as of December 31, 2010 and 2009, respectively.
- b. Total investment income (loss), excluding private equity funds, as shown in the accompanying statements of changes in net assets available for benefits of \$11,042,005 and \$17,820,540 for the years ended December 31, 2010 and 2009, respectively.
- c. Total Master Trust assets, interest, dividends and net appreciation, excluding private equity funds, as shown in the accompanying footnote C.