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), 6057(b), 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

2015

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or
- [X] 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:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
KSL ASSOCIATE GROUP 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1998

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
KSL ASSOCIATE GROUP, INC.

5790 FLEET STREET
SUITE 300
CARLSBAD, CA 92008

2b Employer Identification Number (EIN)
33-0894084

2c Plan Sponsor's telephone number
760-804-7028

2d Business code (see instructions)
623000

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.	10/13/2016	DEBBIE RODRIQUEZ
	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

Preparer's name (including firm name, if applicable) and address (include room or suite number)

Preparer's telephone number

3a	Plan administrator's name and address [X] Same as Plan Sponsor	**3b**	Administrator's EIN
		3c	Administrator's telephone number
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:	**4b**	EIN
a	Sponsor's name	**4c**	PN

5	Total number of participants at the beginning of the plan year	**5**	1321
6	Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1)	Total number of active participants at the beginning of the plan year	**6a(1)**	1242
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	1440
b	Retired or separated participants receiving benefits	**6b**	3
c	Other retired or separated participants entitled to future benefits	**6c**	63
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	1506
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f	Total. Add lines **6d** and **6e**.	**6f**	1506
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	369
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	21
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 Characteristics Codes in the instructions:
2F 2G 2J 2K 2T 3D 3H

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

9a Plan funding arrangement (check all that apply)		**9b** Plan benefit arrangement (check all that apply)	
(1)	[ ] Insurance	**(1)**	[ ] Insurance
(2)	[ ] Code section 412(e)(3) insurance contracts	**(2)**	[ ] Code section 412(e)(3) insurance contracts
(3)	[X] Trust	**(3)**	[X] Trust
(4)	[ ] General assets of the sponsor	**(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)** [X] **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)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] 0 **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [X] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

Part III **Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ……..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2015** **This Form is Open to Public Inspection.**

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
KSL ASSOCIATE GROUP 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KSL ASSOCIATE GROUP, INC.

D Employer Identification Number (EIN)
33-0894084

Part I Service Provider Information (see instructions)

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).. . . . . [X] 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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
37 60 64 65	RECORDKEEPER	16585	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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

NFP SECURITIES INC

1250 S CAPITAL OF TEXAS HWY STE 600
WEST LAKE HILLS, TX 78746

(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?
61	ADVISOR	0	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] 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 [ ]

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)

(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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
INVS COMSTOCK A - INVESCO INVESTME 11 GREENWAY PLAZA, SUITE 100 HOUSTON, TX 77046	0.35%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
INVS DEVELOP MKTS A - INVESCO CANA 5140 YONGE STREET, SUITE 900 TORONTO, ON M2N 6 CA	0.35%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
JANUS TRITON S - JANUS SERVICES LL 43-1804048	0.25%

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
JPM EQUITY IDX A - BOSTON FINANCIA 330 W. 9TH STREET KANSAS CITY, MO 66160	0.05%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
JPM US SMALL CO A - BOSTON FINANCI 330 W. 9TH STREET KANSAS CITY, MO 66160	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
LD ABBETT TOT RTN A - DST SYSTEMS 43-1581814	0.25%

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
MFS INTL DIVRSN R3 - MFS SERVICE C 04-2865649	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
NUVEEN MDCP INDEX A - BOSTON FINAN P.O. BOX 8480 BOSTON, MA 02266	0.15%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
PIF INTL EQ IDX R3 - PRINCIPAL SHA P.O. BOX 8024 BOSTON, MA 02266	0.30%

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
TRP RETIRE 2005 R - T. ROWE PRICE 52-2269240	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
TRP RETIRE 2010 R - T. ROWE PRICE 52-2269240	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
TRP RETIRE 2015 R - T. ROWE PRICE 52-2269240	0.40%

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
TRP RETIRE 2020 R - T. ROWE PRICE 52-2269240	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
TRP RETIRE 2025 R - T. ROWE PRICE 52-2269240	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
TRP RETIRE 2030 R - T. ROWE PRICE 52-2269240	0.40%

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
TRP RETIRE 2035 R - T. ROWE PRICE 52-2269240	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
TRP RETIRE 2040 R - T. ROWE PRICE 52-2269240	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
TRP RETIRE 2045 R - T. ROWE PRICE 52-2269240	0.40%

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
TRP RETIRE 2050 R - T. ROWE PRICE 52-2269240	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
TRP RETIRE 2055 R - T. ROWE PRICE 52-2269240	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
VICTORY S SM CO OP A - SUNGARD INV 31-1249295	0.25%

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
NFP SECURITIES INC	61	0

(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.
JPM US SMALL CO A - JPMORGAN DISTR 13-2624428	$0-<$4M=1.00%, $4M-<$10M=0.75%, $10M-<$50M=0.50%, $50M+=0.25%

(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)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

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

2015

This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
KSL ASSOCIATE GROUP 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
KSL ASSOCIATE GROUP, INC.

D Employer Identification Number (EIN)
33-0894084

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)

a Name of MTIA, CCT, PSA, or 103-12 IE: FA STABLE VALUE

b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY

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)
04-3022712-026	C	357947

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)

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

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

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
KSL ASSOCIATE GROUP 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KSL ASSOCIATE GROUP, INC.

D Employer Identification Number (EIN)
33-0894084

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	0	0
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)	86731	138646
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	284485	242826
(9) Value of interest in common/collective trusts	1c(9)	369062	357947
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	5338781	5228905
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	6079059	5968324
Liabilities			
g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	6079059	5968324

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)	118213	
(B) Participants	2a(1)(B)	685302	
(C) Others (including rollovers)	2a(1)(C)	2377	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		805892
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	869	
(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)	11999	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		12868
(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)	315393	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		315393
(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
(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

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		558
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(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)		-349628
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		785083
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	875970	
(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)		875970
f Corrective distributions (see instructions)	2f		3196
g Certain deemed distributions of participant loans (see instructions)	2g		67
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	16585	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		16585
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		895818
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-110735
l Transfers of assets:			
(1) To this plan	2l(1)		0
(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)** [X] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: KSJG **(2)** EIN: 95-3322166

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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	N/A	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.)	4a	X			166003
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.)	4b		X		

			Yes	No	N/A	Amount
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.)	4c		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.)	4d		X		
e	Was this plan covered by a fidelity bond?	4e	X			5000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		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?	4g		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?	4h		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.)	4i	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.)	4j		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?	4k		X		
l	Has the plan failed to provide any benefit when due under the plan?	4l		X		
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		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.	4n		X		
o	Did the plan trust incur unrelated business taxable income?	4o				
p	Were in-service distributions made during the plan year?	4p				

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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ..... ☐ Yes ☐ No ☐ Not determined

Part V Trust Information

6a Name of trust	**6b** Trust's EIN

6c Name of trustee or custodian	**6d** Trustee's or custodian's telephone number

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

2015

This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
KSL ASSOCIATE GROUP 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KSL ASSOCIATE GROUP, INC.

D Employer Identification Number (EIN)
33-0894084

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 **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): 04-6568107

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 of 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 (include any prior year accumulated funding deficiency not waived) **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 or other authority 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. 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**

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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (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 line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Part VII IRS Compliance Questions

20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A

22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____ (See instructions for tax law changes and codes).

22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter _____/_____/_____ and the letter's serial number _____.

22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter _____/_____/_____.

23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

ACCOUNTING + CONSULTING

KSL ASSOCIATE GROUP
401(k) PLAN

Financial Statements
and
Supplementary Information
Years Ended December 31, 2015 and 2014
(With Independent Auditor's Report Thereon)

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ACCOUNTING + CONSULTING

INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator and Participants of
KSL Associate Group 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of KSL Associate Group 401(k) Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years ended December 31, 2015 and 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Fidelity Management Trust Company, Inc., 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 and for the years ended December 31, 2015 and 2014, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental Schedules 1 and 2 as of and for the year ended December 31, 2015 are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance with DOL Rules and Regulations

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 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Kushner Smith Joanou & Gregson, LLP

October 11, 2016

Kushner, Smith, Joanou, and Gregson, LLP
100 Spectrum Center Drive, Suite 1000, Irvine, California 92618

KSL ASSOCIATE GROUP
401(k) PLAN

Statements of Net Assets Available for Benefits
December 31, 2015 and 2014

ASSETS

	2015	2014
Investments, at fair value (Notes 3 and 4):		
Registered investment companies	$ 5,228,905	$ 5,338,781
Common/collective trusts	357,947	369,062
Interest-bearing cash	138,646	86,731
Total investments	5,725,498	5,794,574
Contributions receivable:		
Employer	4,943	7,811
Participants	31,075	44,058
Total contributions receivable	36,018	51,869
Notes receivable from participants	242,826	284,485
Total assets	6,004,342	6,130,928

LIABILITIES

Corrective distributions payable	21,637	--
Net assets available for benefits	5,982,705	6,130,928
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	--	(6,437)
Net assets available for benefits	$ 5,982,705	$ 6,124,491

See accompanying notes to financial statements

KSL ASSOCIATE GROUP
401(k) PLAN

Statements of Changes in Net Assets
Available for Benefits
Years Ended December 31, 2015 and 2014

	2015	2014
Additions to net assets attributed to:		
Investment (loss) income:		
Gain from interest-bearing cash	$ 869	$ 1,390
Interest and dividend income	315,393	236,015
Net appreciation in common/collective trusts	6,995	3,346
Net (depreciation) appreciation in registered investment companies	(349,628)	93,409
Total investment (loss) income	(26,371)	334,160
Interest income on notes receivable from participants	11,999	11,153
Contributions:		
Employer contributions	115,345	106,462
Participants' contributions	672,319	627,126
Rollovers	2,377	292,321
Total contributions	790,041	1,025,909
Total additions	775,669	1,371,222
Deductions to net assets attributed to:		
Benefits paid to participants	875,970	1,476,488
Corrective distributions	24,833	--
Deemed distributions	67	26,376
Administrative expenses	16,585	16,485
Total deductions	917,455	1,519,349
Net (decrease) in assets	(141,786)	(148,127)
Net assets available for benefits		
Beginning of year	6,124,491	6,272,618
End of year	$ 5,982,705	$ 6,124,491

See accompanying notes to financial statements

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
December 31, 2015 and 2014

NOTE 1 - DESCRIPTION OF PLAN

The following description of the KSL Associate Group 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for more detailed information of the Plan's provisions.

General - The Plan is a defined contribution plan. The Plan was established on January 1, 1998. The Plan covers all employees of KC Greens, LLC, KRC Escondido Limited Partnership, First Colonial, LP, KRC Melbourne Limited Partnership, KRC Santa Margarita, LLC, KRC Greensboro LP, KRC Woods LP, KRC Los Altos, LP, KRC San Rafael, KRC Anaheim LP, KRC Orange LP, KRC Fresno II, LP, KSL Associate Group, KSL Corona Limited Partnership, KSL Texas Communities SA, LLC, KSL Ilima at Leihano, LLC, and Retirement Home Care, Inc. (the Companies) who are 21 years old and have 1 year of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions - Participants' contributions are made to the Plan by means of salary deferral by which the participant is entitled to defer their compensation up to an amount determined annually by the Internal Revenue Service. The Company matches participant contributions 25% on the first 6% of eligible compensation. Matching contributions of $115,345 and $106,462 were made to the Plan for the years ended December 31, 2015 and 2014, respectively.

Participant Accounts - Each participant's account is credited with the participant's contribution, the Companies' matching contribution, and an allocation of Plan earnings. Allocations of plan earnings are based on participant balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested interest in their account.

Notes Receivable from Participants - Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Loans to Participants fund. Loans must be repaid within five years, except in limited circumstances, such as the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined quarterly by the Plan administrator.

Vesting - Participants are immediately vested in their deferral and rollover contributions plus actual earnings thereon. Vesting in the Companies' matching and discretionary contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100% vested after five years of credited service.

(Note 1 continued on the following page)

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Payment of Benefits - Upon reaching the retirement age of 65 or upon termination of service, a participant may receive a lump-sum payment equal to the vested value of his or her account.

Forfeitures - At December 31, 2015 and 2014 forfeited non-vested accounts totaled $55,612 and $49,364, respectively. These amounts will be used to reduce future Plan administrative expenses or future employer contributions. No forfeitures were used to reduce administrative expenses or employer contributions during 2015 and 2014.

Administrative Expenses - Effective January 1, 2010, certain administrative expenses are paid from Plan earnings and are charged against each participant's account. Administrative expenses paid for by the plan amounted to $16,585 and $16,485 for the plan years ended December 31, 2015 and 2014, respectively.

Investments - Each participant directs the allocation of his or her contribution, and employer matching and discretionary profit sharing contributions to one or more of 26 investment options. Purchases and sales of securities are recorded on a trade date basis.

Risks and Uncertainties - The Plan provides for various investment options in any combination of 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 investments securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Plan are prepared under the accrual method of accounting.

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the 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 normally would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in fully benefit-responsive investment contracts held in a common/collective trust (Note 3).

(Note 2 continued on the following page)

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - The financial statements have been prepared in compliance with the Department of Labor Rules and Regulations for reporting and disclosure under ERISA.

Investment Valuation and Income Recognition - Investments are measured at quoted prices in an active market and have been certified complete and accurate by Fidelity Management Trust Company, Inc., the Plan's trustee (Note 4). Investments are reported at fair value. Fair value is 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. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net (depreciation) appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Notes Receivable from Participants - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Recent Accounting Pronouncements - In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-07, *Disclosures for Investments in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent*. ASU 2015-07 removes the requirement to categorize within the fair value hierarchy investments for which fair values are estimated using the net asset value practical expedient provided by Accounting Standards Codification 820, *Fair Value Measurement*. Disclosures about investments in certain entities that calculate net asset value per share are limited under ASU 2015-07 to those investments for which the entity has elected to estimate the fair value using the net asset value practical expedient. ASU 2015-07 is effective for fiscal years beginning after December 15, 2016, with retrospective application to all periods presented. Early application is permitted. Plan management does not expect the provision of ASU 2015-07 to have a material impact on the financial statements.

(Note 2 continued on the following page)

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued) - In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*.

- Part I of the ASU eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts.

- Part II of the ASU eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. It also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset.

- Part III of the ASU is not applicable to the Plan.

The ASU is effective for fiscal years beginning after December 15, 2015. Parts I and II are to be applied retrospectively. Management has elected to adopt Parts I and II early and, accordingly, the presentation of the financial statements and notes herein have been changed to reflect such adoption.

Subsequent Events - The Plan evaluated subsequent events through October 11, 2016, the date these financial statements were issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 3 - FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
Level 2	Inputs to the valuation methodology include: • quoted prices for similar assets or liabilities in active markets; • quoted prices for identical or similar assets or liabilities in inactive markets; • inputs other than quoted prices that are observable for the asset or liability; • inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

(Note 3 continued on the following page)

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value.

Interest-bearing cash: Valued at market value of corresponding currency at year end.

Registered investment companies (Mutual funds): Valued at the closing price reported on the active market on which the individual securities are traded.

Common/collective trusts: Valued at NAV which is based on the fair value of the underlying investments held by the fund less its liabilities.

The preceding methods described 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 sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2015 and 2014:

	Assets at Fair Value as of December 31, 2015			
	Level 1	*Level 2*	*Level 3*	*Total*
Registered investment companies	$ 5,228,905	$ --	$ --	$ 5,228,905
Common/collective trust	--	357,947	--	357,947
Interest-bearing cash	138,646	--	--	138,646
Total assets at fair value	$ 5,367,551	$ 357,947	$ --	$ 5,725,498

	Assets at Fair Value as of December 31, 2014			
	Level 1	*Level 2*	*Level 3*	*Total*
Registered investment companies	$ 5,338,781	$ --	$ --	$ 5,338,781
Common/collective trust	--	369,062	--	369,062
Interest-bearing cash	86,731	--	--	86,731
Total assets at fair value	$ 5,425,512	$ 369,062	$ --	$ 5,794,574

(Note 3 continued on the following page)

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

The Fidelity Stable Value Fund is a Common/collective trust (CCT) that is composed primarily of fully benefit-responsive investment contracts. The CCT is valued at NAV which is based on the fair value of the underlying investments of the CCT, less any liabilities and then adjusted by the issuer to contract value. The Plan had no unfunded commitments related to the CCT. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

NOTE 4 - INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE

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, Fidelity Management Trust Company, Inc., the trustee of the Plan, has certified to the completeness and accuracy of:

- Investments and notes receivable from participants reflected on the accompanying Statements of Net Assets Available for Benefits as of December 31, 2015 and 2014.

- Net (depreciation) appreciation in fair value of investments, interest and dividends reflected on the accompanying Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2015 and 2014.

NOTE 5 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Companies have the right to discontinue contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, so that each participant receives 100% of his or her account balance as of the date of termination.

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 6 - TAX STATUS

The Company is using a Volume Submitter Plan provided by Fidelity Management Trust Company, Inc. which received a favorable opinion letter on March 31, 2008. The plan has been amended since receiving the opinion letter. However, the plan administrator and the plan's tax counsel believe that the plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) 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 periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2012.

NOTE 7 - PARTY-IN-INTEREST TRANSACTIONS

The Company, which qualifies as a party-in-interest, absorbs certain administrative expenses of the Plan. Such transactions qualify for a statutory exemption. Additionally, notes receivable from participants are considered exempt party-in-interest transactions.

Certain Plan investments are managed by Fidelity Management Trust Company, the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions for which a statutory exemption exists.

NOTE 8 - PROHIBITED TRANSACTIONS

During the year ended December 31, 2015 and 2014, the Company failed to remit to the Plan's trustee certain employee contributions totaling $54,872 and $111,131, respectively, within the period prescribed by Department of Labor regulations. The Company is in the process of rectifying the matter by paying lost earnings on the employee contributions that were remitted late.

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 9 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The Form 5500 was prepared on the cash basis of accounting for the years ended December 31, 2015 and 2014. The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500.

	2015	2014
Net assets available for benefits per the financial statements	$ 5,982,705	$ 6,124,491
Less: contributions receivable	(36,018)	(51,869)
Add: corrective distributions payable	21,637	--
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	--	6,437
Net assets available for benefits per the Form 5500	$ 5,968,324	$ 6,079,059

The following is a reconciliation of the total contributions received per the financial statements to the Form 5500.

	2015	2014
Total contributions received per the financial statements	$ 790,041	$ 1,025,909
Less: current year contributions receivable not recorded as contributions on current year Form 5500	(36,018)	(51,869)
Add: prior year contributions receivable recorded as contributions on current year Form 5500	51,869	--
Total contributions received per the Form 5500	$ 805,892	$ 974,040

(Note 9 continued on the following page)

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 9 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 (Continued)

The following is a reconciliation of total investment income from common/collective trusts per the financial statements to the Form 5500.

	2015	2014
Total investment income from common/collective trusts per the financial statements	$ 6,995	$ 3,346
Current year adjustment from fair value to contract value for fully benefit-responsive contracts	--	6,437
Prior year adjustment from fair value to contract value for fully benefit-responsive investment contracts	(6,437)	(8,087)
Total investment income from common/collective trusts per the Form 5500	$ 558	$ 1,696

Schedule 1

KSL ASSOCIATE GROUP 401(k) PLAN

Supplementary Information
December 31, 2015

Schedule H, line 4i – Schedule of Assets (Held at End of Year)
EIN #33-0894084
PN #001

	(a)	(b)	(c)	(d)	(e)
		Identity of issue, borrower, lessor, or similar party	**Description of investment including maturity date, rate of interest, collateral, par or maturity value**	**Cost**	**Current Value**
		Principal	International Equity Index Fund	N/A	$ 135,222
		JP Morgan	Equity Index Fund	N/A	576,287
		JP Morgan	US Small Company A Fund	N/A	89,560
		Victory	Small Companies Opportunities Fund	N/A	184,436
		Nuveen	Mid-Cap Index Fund	N/A	326,956
		Invesco	Developing Markets Fund	N/A	37,236
		MFS	International Diversification R3 Fund	N/A	270,438
		Invesco	Comstock A Fund	N/A	199,252
		Lord Abbett	Total Return A Fund	N/A	373,735
		Janus	Triton Fund	N/A	80,525
	*	Fidelity	Government Money Market Fund	N/A	138,646
	*	Fidelity	Stable Value Fund	N/A	357,947
	*	Fidelity	Real Estate Investment Fund	N/A	91,484
	*	Fidelity	New Insights Fund	N/A	355,879
	*	Fidelity	Government Income Fund	N/A	121,004
		T. Rowe Price	2005 Target Date Retirement Fund	N/A	4,869
		T. Rowe Price	2010 Target Date Retirement Fund	N/A	70,804
		T. Rowe Price	2015 Target Date Retirement Fund	N/A	188,267
		T. Rowe Price	2020 Target Date Retirement Fund	N/A	919,421
		T. Rowe Price	2025 Target Date Retirement Fund	N/A	228,708
		T. Rowe Price	2030 Target Date Retirement Fund	N/A	480,014
		T. Rowe Price	2035 Target Date Retirement Fund	N/A	85,412
		T. Rowe Price	2040 Target Date Retirement Fund	N/A	175,858
		T. Rowe Price	2045 Target Date Retirement Fund	N/A	144,650
		T. Rowe Price	2050 Target Date Retirement Fund	N/A	56,345
		T. Rowe Price	2055 Target Date Retirement Fund	N/A	32,543
		Total investments			5,725,498
	*	Notes receivable from participants	Interest rates ranging from 4.5% - 9.25% with maturity dates through February 2023	--	242,826
		Total assets held for investment purposes at end of year			$ 5,968,324

* - Party-in-interest as defined by ERISA for which a statutory exemption exists.
N/A - Cost information is not required for participant-directed investments and therefore is not included.

KSL ASSOCIATE GROUP 401(k) PLAN

Supplementary Information
December 31, 2015

Schedule H Line 4a – Schedule of Delinquent Participant Contributions
EIN #33-0894084
PN #001

	Total that Constitute Nonexempt Prohibited Transactions			
	Contributions Not Corrected	**Contributions Corrected Outside VFCP**	**Contributions Pending Correction in VFCP**	**Corrected Under VFCP and PTE 2002-5**
Participant Contributions Transferred Late to Plan as of December 31, 2015	$ 54,872	$ --	$ --	$ --
Participant Contributions Transferred Late to Plan as of December 31, 2014	$ 111,131	$ --	$ --	$ --

ACCOUNTING + CONSULTING

KSL ASSOCIATE GROUP
401(k) PLAN

Financial Statements
and
Supplementary Information
Years Ended December 31, 2015 and 2014
(With Independent Auditor's Report Thereon)

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ACCOUNTING + CONSULTING

INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator and Participants of
KSL Associate Group 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of KSL Associate Group 401(k) Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years ended December 31, 2015 and 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Fidelity Management Trust Company, Inc., 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 and for the years ended December 31, 2015 and 2014, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental Schedules 1 and 2 as of and for the year ended December 31, 2015 are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance with DOL Rules and Regulations

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 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Kushner Smith Joanou & Gregson, LLP

October 11, 2016

Kushner, Smith, Joanou, and Gregson, LLP
100 Spectrum Center Drive, Suite 1000, Irvine, California 92618

KSL ASSOCIATE GROUP
401(k) PLAN

Statements of Net Assets Available for Benefits
December 31, 2015 and 2014

ASSETS

	2015	2014
Investments, at fair value (Notes 3 and 4):		
Registered investment companies	$ 5,228,905	$ 5,338,781
Common/collective trusts	357,947	369,062
Interest-bearing cash	138,646	86,731
Total investments	5,725,498	5,794,574
Contributions receivable:		
Employer	4,943	7,811
Participants	31,075	44,058
Total contributions receivable	36,018	51,869
Notes receivable from participants	242,826	284,485
Total assets	6,004,342	6,130,928

LIABILITIES

Corrective distributions payable	21,637	--
Net assets available for benefits	5,982,705	6,130,928
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	--	(6,437)
Net assets available for benefits	$ 5,982,705	$ 6,124,491

See accompanying notes to financial statements

KSL ASSOCIATE GROUP
401(k) PLAN

Statements of Changes in Net Assets
Available for Benefits
Years Ended December 31, 2015 and 2014

	2015	2014
Additions to net assets attributed to:		
Investment (loss) income:		
Gain from interest-bearing cash	$ 869	$ 1,390
Interest and dividend income	315,393	236,015
Net appreciation in common/collective trusts	6,995	3,346
Net (depreciation) appreciation in registered investment companies	(349,628)	93,409
Total investment (loss) income	(26,371)	334,160
Interest income on notes receivable from participants	11,999	11,153
Contributions:		
Employer contributions	115,345	106,462
Participants' contributions	672,319	627,126
Rollovers	2,377	292,321
Total contributions	790,041	1,025,909
Total additions	775,669	1,371,222
Deductions to net assets attributed to:		
Benefits paid to participants	875,970	1,476,488
Corrective distributions	24,833	--
Deemed distributions	67	26,376
Administrative expenses	16,585	16,485
Total deductions	917,455	1,519,349
Net (decrease) in assets	(141,786)	(148,127)
Net assets available for benefits		
Beginning of year	6,124,491	6,272,618
End of year	$ 5,982,705	$ 6,124,491

See accompanying notes to financial statements

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
December 31, 2015 and 2014

NOTE 1 - DESCRIPTION OF PLAN

The following description of the KSL Associate Group 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for more detailed information of the Plan's provisions.

General - The Plan is a defined contribution plan. The Plan was established on January 1, 1998. The Plan covers all employees of KC Greens, LLC, KRC Escondido Limited Partnership, First Colonial, LP, KRC Melbourne Limited Partnership, KRC Santa Margarita, LLC, KRC Greensboro LP, KRC Woods LP, KRC Los Altos, LP, KRC San Rafael, KRC Anaheim LP, KRC Orange LP, KRC Fresno II, LP, KSL Associate Group, KSL Corona Limited Partnership, KSL Texas Communities SA, LLC, KSL Ilima at Leihano, LLC, and Retirement Home Care, Inc. (the Companies) who are 21 years old and have 1 year of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions - Participants' contributions are made to the Plan by means of salary deferral by which the participant is entitled to defer their compensation up to an amount determined annually by the Internal Revenue Service. The Company matches participant contributions 25% on the first 6% of eligible compensation. Matching contributions of $115,345 and $106,462 were made to the Plan for the years ended December 31, 2015 and 2014, respectively.

Participant Accounts - Each participant's account is credited with the participant's contribution, the Companies' matching contribution, and an allocation of Plan earnings. Allocations of plan earnings are based on participant balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested interest in their account.

Notes Receivable from Participants - Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Loans to Participants fund. Loans must be repaid within five years, except in limited circumstances, such as the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined quarterly by the Plan administrator.

Vesting - Participants are immediately vested in their deferral and rollover contributions plus actual earnings thereon. Vesting in the Companies' matching and discretionary contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100% vested after five years of credited service.

(Note 1 continued on the following page)

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Payment of Benefits - Upon reaching the retirement age of 65 or upon termination of service, a participant may receive a lump-sum payment equal to the vested value of his or her account.

Forfeitures - At December 31, 2015 and 2014 forfeited non-vested accounts totaled $55,612 and $49,364, respectively. These amounts will be used to reduce future Plan administrative expenses or future employer contributions. No forfeitures were used to reduce administrative expenses or employer contributions during 2015 and 2014.

Administrative Expenses - Effective January 1, 2010, certain administrative expenses are paid from Plan earnings and are charged against each participant's account. Administrative expenses paid for by the plan amounted to $16,585 and $16,485 for the plan years ended December 31, 2015 and 2014, respectively.

Investments - Each participant directs the allocation of his or her contribution, and employer matching and discretionary profit sharing contributions to one or more of 26 investment options. Purchases and sales of securities are recorded on a trade date basis.

Risks and Uncertainties - The Plan provides for various investment options in any combination of 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 investments securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Plan are prepared under the accrual method of accounting.

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the 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 normally would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in fully benefit-responsive investment contracts held in a common/collective trust (Note 3).

(Note 2 continued on the following page)

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - The financial statements have been prepared in compliance with the Department of Labor Rules and Regulations for reporting and disclosure under ERISA.

Investment Valuation and Income Recognition - Investments are measured at quoted prices in an active market and have been certified complete and accurate by Fidelity Management Trust Company, Inc., the Plan's trustee (Note 4). Investments are reported at fair value. Fair value is 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. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net (depreciation) appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Notes Receivable from Participants - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Recent Accounting Pronouncements - In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-07, *Disclosures for Investments in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent*. ASU 2015-07 removes the requirement to categorize within the fair value hierarchy investments for which fair values are estimated using the net asset value practical expedient provided by Accounting Standards Codification 820, *Fair Value Measurement*. Disclosures about investments in certain entities that calculate net asset value per share are limited under ASU 2015-07 to those investments for which the entity has elected to estimate the fair value using the net asset value practical expedient. ASU 2015-07 is effective for fiscal years beginning after December 15, 2016, with retrospective application to all periods presented. Early application is permitted. Plan management does not expect the provision of ASU 2015-07 to have a material impact on the financial statements.

(Note 2 continued on the following page)

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued) - In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*.

- Part I of the ASU eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts.

- Part II of the ASU eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. It also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset.

- Part III of the ASU is not applicable to the Plan.

The ASU is effective for fiscal years beginning after December 15, 2015. Parts I and II are to be applied retrospectively. Management has elected to adopt Parts I and II early and, accordingly, the presentation of the financial statements and notes herein have been changed to reflect such adoption.

Subsequent Events - The Plan evaluated subsequent events through October 11, 2016, the date these financial statements were issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 3 - FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
Level 2	Inputs to the valuation methodology include: • quoted prices for similar assets or liabilities in active markets; • quoted prices for identical or similar assets or liabilities in inactive markets; • inputs other than quoted prices that are observable for the asset or liability; • inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

(Note 3 continued on the following page)

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value.

Interest-bearing cash: Valued at market value of corresponding currency at year end.

Registered investment companies (Mutual funds): Valued at the closing price reported on the active market on which the individual securities are traded.

Common/collective trusts: Valued at NAV which is based on the fair value of the underlying investments held by the fund less its liabilities.

The preceding methods described 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 sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2015 and 2014:

	Assets at Fair Value as of December 31, 2015			
	Level 1	*Level 2*	*Level 3*	*Total*
Registered investment companies	$ 5,228,905	$ --	$ --	$ 5,228,905
Common/collective trust	--	357,947	--	357,947
Interest-bearing cash	138,646	--	--	138,646
Total assets at fair value	$ 5,367,551	$ 357,947	$ --	$ 5,725,498

	Assets at Fair Value as of December 31, 2014			
	Level 1	*Level 2*	*Level 3*	*Total*
Registered investment companies	$ 5,338,781	$ --	$ --	$ 5,338,781
Common/collective trust	--	369,062	--	369,062
Interest-bearing cash	86,731	--	--	86,731
Total assets at fair value	$ 5,425,512	$ 369,062	$ --	$ 5,794,574

(Note 3 continued on the following page)

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

The Fidelity Stable Value Fund is a Common/collective trust (CCT) that is composed primarily of fully benefit-responsive investment contracts. The CCT is valued at NAV which is based on the fair value of the underlying investments of the CCT, less any liabilities and then adjusted by the issuer to contract value. The Plan had no unfunded commitments related to the CCT. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

NOTE 4 - INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE

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, Fidelity Management Trust Company, Inc., the trustee of the Plan, has certified to the completeness and accuracy of:

- Investments and notes receivable from participants reflected on the accompanying Statements of Net Assets Available for Benefits as of December 31, 2015 and 2014.

- Net (depreciation) appreciation in fair value of investments, interest and dividends reflected on the accompanying Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2015 and 2014.

NOTE 5 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Companies have the right to discontinue contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, so that each participant receives 100% of his or her account balance as of the date of termination.

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 6 - TAX STATUS

The Company is using a Volume Submitter Plan provided by Fidelity Management Trust Company, Inc. which received a favorable opinion letter on March 31, 2008. The plan has been amended since receiving the opinion letter. However, the plan administrator and the plan's tax counsel believe that the plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) 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 periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2012.

NOTE 7 - PARTY-IN-INTEREST TRANSACTIONS

The Company, which qualifies as a party-in-interest, absorbs certain administrative expenses of the Plan. Such transactions qualify for a statutory exemption. Additionally, notes receivable from participants are considered exempt party-in-interest transactions.

Certain Plan investments are managed by Fidelity Management Trust Company, the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions for which a statutory exemption exists.

NOTE 8 - PROHIBITED TRANSACTIONS

During the year ended December 31, 2015 and 2014, the Company failed to remit to the Plan's trustee certain employee contributions totaling $54,872 and $111,131, respectively, within the period prescribed by Department of Labor regulations. The Company is in the process of rectifying the matter by paying lost earnings on the employee contributions that were remitted late.

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 9 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The Form 5500 was prepared on the cash basis of accounting for the years ended December 31, 2015 and 2014. The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500.

	2015	2014
Net assets available for benefits per the financial statements	$ 5,982,705	$ 6,124,491
Less: contributions receivable	(36,018)	(51,869)
Add: corrective distributions payable	21,637	--
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	--	6,437
Net assets available for benefits per the Form 5500	$ 5,968,324	$ 6,079,059

The following is a reconciliation of the total contributions received per the financial statements to the Form 5500.

	2015	2014
Total contributions received per the financial statements	$ 790,041	$ 1,025,909
Less: current year contributions receivable not recorded as contributions on current year Form 5500	(36,018)	(51,869)
Add: prior year contributions receivable recorded as contributions on current year Form 5500	51,869	--
Total contributions received per the Form 5500	$ 805,892	$ 974,040

(Note 9 continued on the following page)

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 9 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 (Continued)

The following is a reconciliation of total investment income from common/collective trusts per the financial statements to the Form 5500.

	2015	2014
Total investment income from common/collective trusts per the financial statements	$ 6,995	$ 3,346
Current year adjustment from fair value to contract value for fully benefit-responsive contracts	--	6,437
Prior year adjustment from fair value to contract value for fully benefit-responsive investment contracts	(6,437)	(8,087)
Total investment income from common/collective trusts per the Form 5500	$ 558	$ 1,696

Schedule 1

KSL ASSOCIATE GROUP 401(k) PLAN

Supplementary Information
December 31, 2015

Schedule H, line 4i – Schedule of Assets (Held at End of Year)
EIN #33-0894084
PN #001

	(a)	(b)	(c)	(d)	(e)
		Identity of issue, borrower, lessor, or similar party	**Description of investment including maturity date, rate of interest, collateral, par or maturity value**	**Cost**	**Current Value**
		Principal	International Equity Index Fund	N/A	$ 135,222
		JP Morgan	Equity Index Fund	N/A	576,287
		JP Morgan	US Small Company A Fund	N/A	89,560
		Victory	Small Companies Opportunities Fund	N/A	184,436
		Nuveen	Mid-Cap Index Fund	N/A	326,956
		Invesco	Developing Markets Fund	N/A	37,236
		MFS	International Diversification R3 Fund	N/A	270,438
		Invesco	Comstock A Fund	N/A	199,252
		Lord Abbett	Total Return A Fund	N/A	373,735
		Janus	Triton Fund	N/A	80,525
	*	Fidelity	Government Money Market Fund	N/A	138,646
	*	Fidelity	Stable Value Fund	N/A	357,947
	*	Fidelity	Real Estate Investment Fund	N/A	91,484
	*	Fidelity	New Insights Fund	N/A	355,879
	*	Fidelity	Government Income Fund	N/A	121,004
		T. Rowe Price	2005 Target Date Retirement Fund	N/A	4,869
		T. Rowe Price	2010 Target Date Retirement Fund	N/A	70,804
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		T. Rowe Price	2020 Target Date Retirement Fund	N/A	919,421
		T. Rowe Price	2025 Target Date Retirement Fund	N/A	228,708
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		T. Rowe Price	2040 Target Date Retirement Fund	N/A	175,858
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		T. Rowe Price	2050 Target Date Retirement Fund	N/A	56,345
		T. Rowe Price	2055 Target Date Retirement Fund	N/A	32,543
		Total investments			5,725,498
	*	Notes receivable from participants	Interest rates ranging from 4.5% - 9.25% with maturity dates through February 2023	--	242,826
		Total assets held for investment purposes at end of year			$ 5,968,324

* - Party-in-interest as defined by ERISA for which a statutory exemption exists.
N/A - Cost information is not required for participant-directed investments and therefore is not included.

KSL ASSOCIATE GROUP 401(k) PLAN

Supplementary Information
December 31, 2015

Schedule H Line 4a – Schedule of Delinquent Participant Contributions
EIN #33-0894084
PN #001

	Total that Constitute Nonexempt Prohibited Transactions			
	Contributions Not Corrected	**Contributions Corrected Outside VFCP**	**Contributions Pending Correction in VFCP**	**Corrected Under VFCP and PTE 2002-5**
Participant Contributions Transferred Late to Plan as of December 31, 2015	$ 54,872	$ --	$ --	$ --
Participant Contributions Transferred Late to Plan as of December 31, 2014	$ 111,131	$ --	$ --	$ --

ACCOUNTING + CONSULTING

KSL ASSOCIATE GROUP
401(k) PLAN

Financial Statements
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Years Ended December 31, 2015 and 2014
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ACCOUNTING + CONSULTING

INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator and Participants of
KSL Associate Group 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of KSL Associate Group 401(k) Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years ended December 31, 2015 and 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Fidelity Management Trust Company, Inc., 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 and for the years ended December 31, 2015 and 2014, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental Schedules 1 and 2 as of and for the year ended December 31, 2015 are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance with DOL Rules and Regulations

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 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Kushner Smith Joanou & Gregson, LLP

October 11, 2016

Kushner, Smith, Joanou, and Gregson, LLP
100 Spectrum Center Drive, Suite 1000, Irvine, California 92618

KSL ASSOCIATE GROUP
401(k) PLAN

Statements of Net Assets Available for Benefits
December 31, 2015 and 2014

ASSETS

	2015	2014
Investments, at fair value (Notes 3 and 4):		
Registered investment companies	$ 5,228,905	$ 5,338,781
Common/collective trusts	357,947	369,062
Interest-bearing cash	138,646	86,731
Total investments	5,725,498	5,794,574
Contributions receivable:		
Employer	4,943	7,811
Participants	31,075	44,058
Total contributions receivable	36,018	51,869
Notes receivable from participants	242,826	284,485
Total assets	6,004,342	6,130,928

LIABILITIES

Corrective distributions payable	21,637	--
Net assets available for benefits	5,982,705	6,130,928
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	--	(6,437)
Net assets available for benefits	$ 5,982,705	$ 6,124,491

See accompanying notes to financial statements

KSL ASSOCIATE GROUP
401(k) PLAN

Statements of Changes in Net Assets
Available for Benefits
Years Ended December 31, 2015 and 2014

	2015	2014
Additions to net assets attributed to:		
Investment (loss) income:		
Gain from interest-bearing cash	$ 869	$ 1,390
Interest and dividend income	315,393	236,015
Net appreciation in common/collective trusts	6,995	3,346
Net (depreciation) appreciation in registered investment companies	(349,628)	93,409
Total investment (loss) income	(26,371)	334,160
Interest income on notes receivable from participants	11,999	11,153
Contributions:		
Employer contributions	115,345	106,462
Participants' contributions	672,319	627,126
Rollovers	2,377	292,321
Total contributions	790,041	1,025,909
Total additions	775,669	1,371,222
Deductions to net assets attributed to:		
Benefits paid to participants	875,970	1,476,488
Corrective distributions	24,833	--
Deemed distributions	67	26,376
Administrative expenses	16,585	16,485
Total deductions	917,455	1,519,349
Net (decrease) in assets	(141,786)	(148,127)
Net assets available for benefits		
Beginning of year	6,124,491	6,272,618
End of year	$ 5,982,705	$ 6,124,491

See accompanying notes to financial statements

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
December 31, 2015 and 2014

NOTE 1 - DESCRIPTION OF PLAN

The following description of the KSL Associate Group 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for more detailed information of the Plan's provisions.

General - The Plan is a defined contribution plan. The Plan was established on January 1, 1998. The Plan covers all employees of KC Greens, LLC, KRC Escondido Limited Partnership, First Colonial, LP, KRC Melbourne Limited Partnership, KRC Santa Margarita, LLC, KRC Greensboro LP, KRC Woods LP, KRC Los Altos, LP, KRC San Rafael, KRC Anaheim LP, KRC Orange LP, KRC Fresno II, LP, KSL Associate Group, KSL Corona Limited Partnership, KSL Texas Communities SA, LLC, KSL Ilima at Leihano, LLC, and Retirement Home Care, Inc. (the Companies) who are 21 years old and have 1 year of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions - Participants' contributions are made to the Plan by means of salary deferral by which the participant is entitled to defer their compensation up to an amount determined annually by the Internal Revenue Service. The Company matches participant contributions 25% on the first 6% of eligible compensation. Matching contributions of $115,345 and $106,462 were made to the Plan for the years ended December 31, 2015 and 2014, respectively.

Participant Accounts - Each participant's account is credited with the participant's contribution, the Companies' matching contribution, and an allocation of Plan earnings. Allocations of plan earnings are based on participant balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested interest in their account.

Notes Receivable from Participants - Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Loans to Participants fund. Loans must be repaid within five years, except in limited circumstances, such as the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined quarterly by the Plan administrator.

Vesting - Participants are immediately vested in their deferral and rollover contributions plus actual earnings thereon. Vesting in the Companies' matching and discretionary contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100% vested after five years of credited service.

(Note 1 continued on the following page)

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Payment of Benefits - Upon reaching the retirement age of 65 or upon termination of service, a participant may receive a lump-sum payment equal to the vested value of his or her account.

Forfeitures - At December 31, 2015 and 2014 forfeited non-vested accounts totaled $55,612 and $49,364, respectively. These amounts will be used to reduce future Plan administrative expenses or future employer contributions. No forfeitures were used to reduce administrative expenses or employer contributions during 2015 and 2014.

Administrative Expenses - Effective January 1, 2010, certain administrative expenses are paid from Plan earnings and are charged against each participant's account. Administrative expenses paid for by the plan amounted to $16,585 and $16,485 for the plan years ended December 31, 2015 and 2014, respectively.

Investments - Each participant directs the allocation of his or her contribution, and employer matching and discretionary profit sharing contributions to one or more of 26 investment options. Purchases and sales of securities are recorded on a trade date basis.

Risks and Uncertainties - The Plan provides for various investment options in any combination of 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 investments securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Plan are prepared under the accrual method of accounting.

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the 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 normally would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in fully benefit-responsive investment contracts held in a common/collective trust (Note 3).

(Note 2 continued on the following page)

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - The financial statements have been prepared in compliance with the Department of Labor Rules and Regulations for reporting and disclosure under ERISA.

Investment Valuation and Income Recognition - Investments are measured at quoted prices in an active market and have been certified complete and accurate by Fidelity Management Trust Company, Inc., the Plan's trustee (Note 4). Investments are reported at fair value. Fair value is 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. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net (depreciation) appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Notes Receivable from Participants - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Recent Accounting Pronouncements - In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-07, *Disclosures for Investments in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent*. ASU 2015-07 removes the requirement to categorize within the fair value hierarchy investments for which fair values are estimated using the net asset value practical expedient provided by Accounting Standards Codification 820, *Fair Value Measurement*. Disclosures about investments in certain entities that calculate net asset value per share are limited under ASU 2015-07 to those investments for which the entity has elected to estimate the fair value using the net asset value practical expedient. ASU 2015-07 is effective for fiscal years beginning after December 15, 2016, with retrospective application to all periods presented. Early application is permitted. Plan management does not expect the provision of ASU 2015-07 to have a material impact on the financial statements.

(Note 2 continued on the following page)

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued) - In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*.

- Part I of the ASU eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts.

- Part II of the ASU eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. It also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset.

- Part III of the ASU is not applicable to the Plan.

The ASU is effective for fiscal years beginning after December 15, 2015. Parts I and II are to be applied retrospectively. Management has elected to adopt Parts I and II early and, accordingly, the presentation of the financial statements and notes herein have been changed to reflect such adoption.

Subsequent Events - The Plan evaluated subsequent events through October 11, 2016, the date these financial statements were issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 3 - FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
Level 2	Inputs to the valuation methodology include: • quoted prices for similar assets or liabilities in active markets; • quoted prices for identical or similar assets or liabilities in inactive markets; • inputs other than quoted prices that are observable for the asset or liability; • inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

(Note 3 continued on the following page)

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value.

Interest-bearing cash: Valued at market value of corresponding currency at year end.

Registered investment companies (Mutual funds): Valued at the closing price reported on the active market on which the individual securities are traded.

Common/collective trusts: Valued at NAV which is based on the fair value of the underlying investments held by the fund less its liabilities.

The preceding methods described 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 sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2015 and 2014:

	Assets at Fair Value as of December 31, 2015			
	Level 1	*Level 2*	*Level 3*	*Total*
Registered investment companies	$ 5,228,905	$ --	$ --	$ 5,228,905
Common/collective trust	--	357,947	--	357,947
Interest-bearing cash	138,646	--	--	138,646
Total assets at fair value	$ 5,367,551	$ 357,947	$ --	$ 5,725,498

	Assets at Fair Value as of December 31, 2014			
	Level 1	*Level 2*	*Level 3*	*Total*
Registered investment companies	$ 5,338,781	$ --	$ --	$ 5,338,781
Common/collective trust	--	369,062	--	369,062
Interest-bearing cash	86,731	--	--	86,731
Total assets at fair value	$ 5,425,512	$ 369,062	$ --	$ 5,794,574

(Note 3 continued on the following page)

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

The Fidelity Stable Value Fund is a Common/collective trust (CCT) that is composed primarily of fully benefit-responsive investment contracts. The CCT is valued at NAV which is based on the fair value of the underlying investments of the CCT, less any liabilities and then adjusted by the issuer to contract value. The Plan had no unfunded commitments related to the CCT. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

NOTE 4 - INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE

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, Fidelity Management Trust Company, Inc., the trustee of the Plan, has certified to the completeness and accuracy of:

- Investments and notes receivable from participants reflected on the accompanying Statements of Net Assets Available for Benefits as of December 31, 2015 and 2014.

- Net (depreciation) appreciation in fair value of investments, interest and dividends reflected on the accompanying Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2015 and 2014.

NOTE 5 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Companies have the right to discontinue contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, so that each participant receives 100% of his or her account balance as of the date of termination.

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 6 - TAX STATUS

The Company is using a Volume Submitter Plan provided by Fidelity Management Trust Company, Inc. which received a favorable opinion letter on March 31, 2008. The plan has been amended since receiving the opinion letter. However, the plan administrator and the plan's tax counsel believe that the plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) 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 periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2012.

NOTE 7 - PARTY-IN-INTEREST TRANSACTIONS

The Company, which qualifies as a party-in-interest, absorbs certain administrative expenses of the Plan. Such transactions qualify for a statutory exemption. Additionally, notes receivable from participants are considered exempt party-in-interest transactions.

Certain Plan investments are managed by Fidelity Management Trust Company, the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions for which a statutory exemption exists.

NOTE 8 - PROHIBITED TRANSACTIONS

During the year ended December 31, 2015 and 2014, the Company failed to remit to the Plan's trustee certain employee contributions totaling $54,872 and $111,131, respectively, within the period prescribed by Department of Labor regulations. The Company is in the process of rectifying the matter by paying lost earnings on the employee contributions that were remitted late.

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 9 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The Form 5500 was prepared on the cash basis of accounting for the years ended December 31, 2015 and 2014. The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500.

	2015	2014
Net assets available for benefits per the financial statements	$ 5,982,705	$ 6,124,491
Less: contributions receivable	(36,018)	(51,869)
Add: corrective distributions payable	21,637	--
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	--	6,437
Net assets available for benefits per the Form 5500	$ 5,968,324	$ 6,079,059

The following is a reconciliation of the total contributions received per the financial statements to the Form 5500.

	2015	2014
Total contributions received per the financial statements	$ 790,041	$ 1,025,909
Less: current year contributions receivable not recorded as contributions on current year Form 5500	(36,018)	(51,869)
Add: prior year contributions receivable recorded as contributions on current year Form 5500	51,869	--
Total contributions received per the Form 5500	$ 805,892	$ 974,040

(Note 9 continued on the following page)

KSL ASSOCIATE GROUP
401(k) PLAN

Notes to Financial Statements
(Continued)
December 31, 2015 and 2014

NOTE 9 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 (Continued)

The following is a reconciliation of total investment income from common/collective trusts per the financial statements to the Form 5500.

	2015	2014
Total investment income from common/collective trusts per the financial statements	$ 6,995	$ 3,346
Current year adjustment from fair value to contract value for fully benefit-responsive contracts	--	6,437
Prior year adjustment from fair value to contract value for fully benefit-responsive investment contracts	(6,437)	(8,087)
Total investment income from common/collective trusts per the Form 5500	$ 558	$ 1,696

Schedule 1

KSL ASSOCIATE GROUP 401(k) PLAN

Supplementary Information
December 31, 2015

Schedule H, line 4i – Schedule of Assets (Held at End of Year)
EIN #33-0894084
PN #001

	(a)	(b)	(c)	(d)	(e)
		Identity of issue, borrower, lessor, or similar party	**Description of investment including maturity date, rate of interest, collateral, par or maturity value**	**Cost**	**Current Value**
		Principal	International Equity Index Fund	N/A	$ 135,222
		JP Morgan	Equity Index Fund	N/A	576,287
		JP Morgan	US Small Company A Fund	N/A	89,560
		Victory	Small Companies Opportunities Fund	N/A	184,436
		Nuveen	Mid-Cap Index Fund	N/A	326,956
		Invesco	Developing Markets Fund	N/A	37,236
		MFS	International Diversification R3 Fund	N/A	270,438
		Invesco	Comstock A Fund	N/A	199,252
		Lord Abbett	Total Return A Fund	N/A	373,735
		Janus	Triton Fund	N/A	80,525
	*	Fidelity	Government Money Market Fund	N/A	138,646
	*	Fidelity	Stable Value Fund	N/A	357,947
	*	Fidelity	Real Estate Investment Fund	N/A	91,484
	*	Fidelity	New Insights Fund	N/A	355,879
	*	Fidelity	Government Income Fund	N/A	121,004
		T. Rowe Price	2005 Target Date Retirement Fund	N/A	4,869
		T. Rowe Price	2010 Target Date Retirement Fund	N/A	70,804
		T. Rowe Price	2015 Target Date Retirement Fund	N/A	188,267
		T. Rowe Price	2020 Target Date Retirement Fund	N/A	919,421
		T. Rowe Price	2025 Target Date Retirement Fund	N/A	228,708
		T. Rowe Price	2030 Target Date Retirement Fund	N/A	480,014
		T. Rowe Price	2035 Target Date Retirement Fund	N/A	85,412
		T. Rowe Price	2040 Target Date Retirement Fund	N/A	175,858
		T. Rowe Price	2045 Target Date Retirement Fund	N/A	144,650
		T. Rowe Price	2050 Target Date Retirement Fund	N/A	56,345
		T. Rowe Price	2055 Target Date Retirement Fund	N/A	32,543
		Total investments			5,725,498
	*	Notes receivable from participants	Interest rates ranging from 4.5% - 9.25% with maturity dates through February 2023	--	242,826
		Total assets held for investment purposes at end of year			$ 5,968,324

* - Party-in-interest as defined by ERISA for which a statutory exemption exists.
N/A - Cost information is not required for participant-directed investments and therefore is not included.

KSL ASSOCIATE GROUP 401(k) PLAN

Supplementary Information
December 31, 2015

Schedule H Line 4a – Schedule of Delinquent Participant Contributions
EIN #33-0894084
PN #001

	Total that Constitute Nonexempt Prohibited Transactions			
	Contributions Not Corrected	**Contributions Corrected Outside VFCP**	**Contributions Pending Correction in VFCP**	**Corrected Under VFCP and PTE 2002-5**
Participant Contributions Transferred Late to Plan as of December 31, 2015	$ 54,872	$ --	$ --	$ --
Participant Contributions Transferred Late to Plan as of December 31, 2014	$ 111,131	$ --	$ --	$ --