

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2013 This Form is Open to Public Inspection
---	---	---

Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☒ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☐ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information								
1a Name of plan <u>UNION HOURLY RETIREMENT PLAN OF LONGVIEW FIBRE PAPER & PACKAGING INC.</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1948</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1948</u>					
1b Three-digit plan number (PN) ▶	<u>001</u>								
1c Effective date of plan <u>01/01/1948</u>									
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>LONGVIEW FIBRE PAPER & PACKAGING INC.</u> <u>P.O. BOX 639</u> <u>LONGVIEW, WA 98632-7411</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>20-3674771</u></td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number <u>360-425-1550</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>322100</u></td> </tr> <tr> <td colspan="2" style="height: 40px;"></td> </tr> </table>	2b Employer Identification Number (EIN) <u>20-3674771</u>		2c Sponsor's telephone number <u>360-425-1550</u>		2d Business code (see instructions) <u>322100</u>			
2b Employer Identification Number (EIN) <u>20-3674771</u>									
2c Sponsor's telephone number <u>360-425-1550</u>									
2d Business code (see instructions) <u>322100</u>									

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	06/09/2017	JEFFREY ZROBACK
	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. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		3c Administrator's telephone number 4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year		5	3206
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).			
a Active participants		6a	698
b Retired or separated participants receiving benefits		6b	1496
c Other retired or separated participants entitled to future benefits		6c	706
d Subtotal. Add lines 6a , 6b , and 6c		6d	2900
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e	247
f Total. Add lines 6d and 6e		6f	3147
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	8
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: 1A 1B 1C			
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) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection
--	--	---

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

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

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

A Name of plan <u>UNION HOURLY RETIREMENT PLAN OF LONGVIEW FIBRE PAPER & PACKAGING INC.</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>LONGVIEW FIBRE PAPER & PACKAGING INC.</u>	D Employer Identification Number (EIN) <u>20-3674771</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2013</u>	
2 Assets:	
a Market value	2a <u>289082837</u>
b Actuarial value	2b <u>289082837</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>1759</u> <u>180539954</u>
b For terminated vested participants.....	3b <u>761</u> <u>17407187</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>5951367</u>
(2) Vested benefits	3c(2) <u>73679821</u>
(3) Total active.....	3c(3) <u>714</u> <u>79631188</u>
d Total.....	3d <u>3234</u> <u>277578329</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 <u>6.62 %</u>
6 Target normal cost	6 <u>2841357</u>

Statement by Enrolled Actuary

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

SIGN HERE		<u>09/25/2014</u>
Signature of actuary		Date
<u>SCOTT PREPPERNAU, F.S.A., E.A.</u>		<u>14-07360</u>
Type or print name of actuary		Most recent enrollment number
<u>MILLIMAN, INC.</u>		<u>503-227-0634</u>
Firm name		Telephone number (including area code)
<u>111 SW FIFTH AVE, SUITE 3700</u> <u>PORTLAND, OR 97204</u>		
Address of the firm		

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

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

Schedule SB (Form 5500) 2013
v. 130118

Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	7483710	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	7483710	0
10 Interest on line 9 using prior year's actual return of 6.49%	485693	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b Interest on (a) using prior year's effective interest rate of 6.97% except as otherwise provided (see instructions)		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections		0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	7969403	0

Part III Funding Percentages		
14 Funding target attainment percentage	14	101.27 %
15 Adjusted funding target attainment percentage	15	104.14 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	109.09 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No	
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No	
c If line 20a is "Yes," see instructions and complete the following table as applicable:		

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

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 5.23%	2nd segment: 6.51%	3rd segment: 7.16%	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	2841357	
b Excess assets, if applicable, but not greater than line 31a	31b	2841357	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			0
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2013
		This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013	
A Name of plan UNION HOURLY RETIREMENT PLAN OF LONGVIEW FIBRE PAPER & PACKAGING INC.	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 LONGVIEW FIBRE PAPER & PACKAGING INC.	D Employer Identification Number (EIN) 20-3674771

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)..... ☐ 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

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

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

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

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

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

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

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

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

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

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

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

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)

BROOKFIELD INVESTMENT MANAGEMENT

13-3519673

(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?
28	INVESTMENT	134716	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

MILLIMAN INC

91-0675641

(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?
11	ACTUARIAL	129136	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

WELLS FARGO BANK, N.A.

95-4428141

(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?
26	TRUSTEE	36194	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)

CAPITAL STRATEGIES INVESTMENT

26-4789150

(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?
27	INVESTMENT	20833	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

GRANT THORNTON LLP

36-6055558

(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?
10	AUDITOR	15249	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <hr/> 2013 <hr/> This Form is Open to Public Inspection.
---	--	--

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>UNION HOURLY RETIREMENT PLAN OF LONGVIEW FIBRE PAPER & PACKAGING INC.</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>LONGVIEW FIBRE PAPER & PACKAGING INC.</u>	D Employer Identification Number (EIN) <u>20-3674771</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
---------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: LONGVIEW FIBRE PPI MASTER TRUST

b Name of sponsor of entity listed in (a): LONGVIEW FIBRE PAPER AND PACKAGING INC.

c EIN-PN <u>20-3674771-003</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>276015505</u>
---------------------------------------	-------------------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE: MCDERMOTT TRUST

b Name of sponsor of entity listed in (a): LONGVIEW FIBRE PAPER AND PACKAGING INC.

c EIN-PN <u>20-3674771-004</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2481521</u>
---------------------------------------	-------------------------------	---

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection
--	--	--

For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>		
A Name of plan <u>UNION HOURLY RETIREMENT PLAN OF LONGVIEW FIBRE PAPER & PACKAGING INC.</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LONGVIEW FIBRE PAPER & PACKAGING INC.</u>	D Employer Identification Number (EIN) <u>20-3674771</u>	

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	16027	61522
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)	60714	60714
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	289091060	278497026
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	289167801	278619262

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	84964	103708
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	84964	103708

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	289082837	278515554
---	-----------	-----------	-----------

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)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		10533466
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		10533466

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	20282780	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		20282780
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	155549	
(4) Other	2i(4)	662420	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		817969
j Total expenses. Add all expense amounts in column (b) and enter total	2j		21100749

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-10567283
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☐ Yes ☒ No

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

(1) Name: GRANT THORNTON, LLP

(2) EIN: 36-6055558

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:

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.)

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.)

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	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.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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

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

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

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 (optional)

6a Name of trust	6b Trust's EIN

<div>SCHEDULE R (Form 5500) <div>Department of the Treasury Internal Revenue Service</div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div>		<div>Retirement Plan Information</div> <div>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2013</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013					
A Name of plan UNION HOURLY RETIREMENT PLAN OF LONGVIEW FIBRE PAPER & PACKAGING INC.				B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 LONGVIEW FIBRE PAPER & PACKAGING INC.				D Employer Identification Number (EIN) 20-3674771	
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	0
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): 20-3674771					
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	47
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)					
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☒ No ☐ N/A					
If the plan is a defined benefit plan, go to line 8.					
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.					
6 a Enter the minimum required contribution for this plan year (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					
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.				Schedule R (Form 5500) 2013 v. 130118	

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: 27% Investment-Grade Debt: 13% High-Yield Debt: 49% Real Estate: 1% Other: 10%

- 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):



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Grant Thornton LLP
111 SW Columbia, Suite 800
Portland, OR 97201-5813
T 503.222.3562
F 503.295.0148
www.GrantThornton.com

To the Participants and Administrator of
Longview Fibre Paper and Packaging, Inc. Union Hourly Retirement Plan

We have audited the accompanying financial statements of Longview Fibre Paper and Packaging, Inc. Union Hourly Retirement Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, the related statements of changes in net assets available for benefits for the years then ended 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 our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding Longview Fibre Paper and Packaging, Inc. Union Hourly Retirement Plan's net assets available for benefits as of December 31, 2013 and changes therein for the year then ended, and its financial status as of December 31, 2012 and changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads 'Grant Thornton LLP'.

Portland, Oregon
September 30, 2014

Description of Weighted Average Retirement Age

AGE	RETIREMENT RATES	PROBABILITY OF NOT RETIRING BEFORE AGE	WEIGHTED RETIREMENT AGE
55	0.0500	1.0000	2.75000
56	0.0500	0.9500	2.66000
57	0.0300	0.9025	1.54328
58	0.0400	0.8754	2.03100
59	0.0400	0.8404	1.98337
60	0.0500	0.8068	2.42037
61	0.0500	0.7665	2.33767
62	0.3500	0.7281	15.80042
63	0.3000	0.4733	8.94499
64	0.3500	0.3313	7.42112
65	1.0000	0.2154	13.99775
WEIGHTED AVERAGE RETIREMENT AGE			61.88997
ROUNDED WEIGHTED AVERAGE RETIREMENT AGE			62

The weighted average retirement age was calculated by multiplying each possible retirement age by the probability of surviving to that age and then retiring. These products were then summed to produce the weighted average retirement age.

SB Actuary Signature

SCHEDULE SB
(Form 5500)Department of the Treasury
Internal Revenue Service
Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan**
Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

► File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

2013**This Form is Open to Public Inspection**

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

► Round off amounts to nearest dollar.

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

A Name of plan**B** Three-digit plan number (PN) ►

001

Union Hourly Retirement Plan of Longview Fibre Paper & Packaging Inc

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

Longview Fibre Papaer & Packaging Inc.

D Employer Identification Number (EIN)

20-3674771

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B**F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500**Part I Basic Information****1** Enter the valuation date: Month 1 Day 1 Year 2013**2** Assets:**a** Market value**2a**

289,082,837

b Actuarial value**2b**

289,082,837

3 Funding target/participant count breakdown:

(1) Number of participants

(2) Funding Target

a For retired participants and beneficiaries receiving payment**3a**

1,759

180,539,954

b For terminated vested participants**3b**

761

17,407,187

c For active participants:

(1) Non-vested benefits

3c(1)

5,951,367

(2) Vested benefits

3c(2)

73,679,821

(3) Total active

3c(3)

714

79,631,188

d Total**3d**

3,234

277,578,329

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐**a** Funding target disregarding prescribed at-risk assumptions**4a****b** Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor**4b****5** Effective interest rate**5**

6.62 %

6 Target normal cost**6**

2,841,357

Statement by Enrolled Actuary

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

SIGN HERE

Scott Preppernau

SDP

Signature of actuary

09/25/2014

Date

Scott Preppernau, F.S.A., E.A.

14-07360

Type or print name of actuary

Most recent enrollment number

Milliman, Inc.

(503) 227-0634

Firm name

Telephone number (including area code)

111 SW Fifth Ave, Suite 3700

Portland

OR 97204

Address of the firm

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

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

Schedule SB (Form 5500) 2013
v. 130118

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	7,483,710	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	7,483,710	0
10	Interest on line 9 using prior year's actual return of <u>6.49</u> %	485,693	
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b Interest on (a) using prior year's effective interest rate of <u>6.97</u> % except as otherwise provided (see instructions)		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	7,969,403	0

Part III Funding Percentages			
14	Funding target attainment percentage	14	101.27 %
15	Adjusted funding target attainment percentage	15	104.14 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	109.09 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c)
					0

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

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

20 Quarterly contributions and liquidity shortfalls:

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

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

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

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

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 5.23 %	2nd segment: 6.51 %	3rd segment: 7.16 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)		31a	2,841,357
b Excess assets, if applicable, but not greater than line 31a		31b	2,841,357
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment.....	0		0
b Waiver amortization installment	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..		34	0
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0		0
36 Additional cash requirement (line 34 minus line 35).....		36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....		37	0
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected		☐ 2 plus 7 years ☐ 15 years	
b Eligible plan year(s) for which the election in line 41a was made		☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011	
42 Amount of acceleration adjustment		42	
43 Excess installment acceleration amount to be carried over to future plan years		43	

Financial Statements and Report of Independent
Certified Public Accountants

Longview Fibre Paper and Packaging, Inc.
Union Hourly Retirement Plan

December 31, 2013 and 2012

Contents

	Page
Report of Independent Certified Public Accountants	3
Financial Statements	
Statements of Net Assets Available for Benefits	5
Statements of Changes in Net Assets Available for Benefits	6
Notes to Financial Statements	7



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Grant Thornton LLP
111 SW Columbia, Suite 800
Portland, OR 97201-5813
T 503.222.3562
F 503.295.0148
www.GrantThornton.com

To the Participants and Administrator of
Longview Fibre Paper and Packaging, Inc. Union Hourly Retirement Plan

We have audited the accompanying financial statements of Longview Fibre Paper and Packaging, Inc. Union Hourly Retirement Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, the related statements of changes in net assets available for benefits for the years then ended 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 our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding Longview Fibre Paper and Packaging, Inc. Union Hourly Retirement Plan's net assets available for benefits as of December 31, 2013 and changes therein for the year then ended, and its financial status as of December 31, 2012 and changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads 'Grant Thornton LLP'.

Portland, Oregon
September 30, 2014

Longview Fibre Paper and Packaging, Inc.
Union Hourly Retirement Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

As of December 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Investments, at fair value		
Plan interest in Longview Fibre Paper and Packaging, Inc.		
Master Trust (Note 4)	\$ 278,497,026	\$ 289,091,060
Other receivables	60,714	60,714
Cash	<u>61,522</u>	<u>16,027</u>
Total assets	<u>278,619,262</u>	<u>289,167,801</u>
LIABILITIES		
Plan expenses payable	<u>103,708</u>	<u>84,964</u>
Net assets available for benefits	<u><u>\$ 278,515,554</u></u>	<u><u>\$ 289,082,837</u></u>

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

Longview Fibre Paper and Packaging, Inc.
Union Hourly Retirement Plan

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Years ended December 31,

	<u>2013</u>	<u>2012</u>
Additions:		
Net appreciation in fair value of the Longview Fibre Paper and Packaging, Inc. Master Trust (Note 4)	\$ 10,533,466	\$ 18,199,313
Deductions:		
Benefits paid directly to participants	20,282,780	18,708,467
Plan expenses	<u>817,969</u>	<u>421,964</u>
Total deductions	<u>21,100,749</u>	<u>19,130,431</u>
Net decrease	(10,567,283)	(931,118)
Net assets available for benefits		
Beginning of year	<u>289,082,837</u>	<u>290,013,955</u>
End of year	<u><u>\$ 278,515,554</u></u>	<u><u>\$ 289,082,837</u></u>

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

Longview Fibre Paper and Packaging, Inc.
Union Hourly Retirement Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 1 - Description of the Plan:

The following description of the Longview Fibre Paper and Packaging, Inc. Union Hourly Retirement Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Organization

In 2013, Longview Fibre Paper and Packaging, Inc. was acquired by Kapstone Paper and Packaging Corporation (the "Company"). The name of the Plan was retained. The Company maintains the Plan and the Longview Fibre Paper and Packaging, Inc. Employees' Pension Plan (the "Pension Plan"), which are both defined benefit plans. The purpose of the Plan is to provide pension benefits as defined by the Plan for hourly union employees, with certain exceptions mentioned below, and for service by salaried employees prior to January 1, 1971. Union employees who are excluded from the Plan are either covered by a separate union plan to which the Company makes contributions or are not covered because the union employees have bargained and failed, for any reason, to agree that such employees be covered by the Plan.

The assets of the Plan and the Pension Plan are included in the Longview Fibre Paper and Packaging, Inc. Master Trust (the "Master Trust"), which is administered by Wells Fargo Bank, N.A. ("Wells Fargo") and the McDermott Trust. The McDermott Trust is administered by an officer of the Company. The McDermott Trust was established on April 7, 1988, to allow the Company to invest Plan assets in more than one trust. Under the terms of the two trust agreements, the trustees act as custodians of the trusts assets. The Plan is administered by a Pension Committee appointed by the Board of Directors of the Company. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Pursuant to the Plan restatement dated June 1, 2010, hourly union employees with the Longview, WA and Seattle, WA operations hired after January 1, 2011 are not eligible to participate in the Plan. Hourly union employees with the Oakland, CA operations continue to be eligible after meeting all other requirements for participation.

Pension Benefits

The Plan provides for annual pension benefits at normal retirement age (65), at retirement after age 65, or at a reduced amount as early as age 55 when certain service requirements are met. The amount of benefits is generally calculated based on length of service and specified unit benefits, compensation earned during the years participants are members of the Plan, or length of service and average compensation for the highest five of the last ten years of service. The Plan also provides certain minimum and maximum pension benefits. Under conditions specified in the plan agreement, a participant may elect to receive pension benefits in the form of a joint and survivor annuity.

In most instances, a death benefit of \$1,000 will be paid to the beneficiary on the death of a retired participant. Generally, if a participant becomes disabled and has completed 15 or more years of qualifying service, the participant will receive benefits based on the accumulated benefits to the date of disability without reduction due to age in certain circumstances, or with a reduction due to age in certain other circumstances.

Longview Fibre Paper and Packaging, Inc.
Union Hourly Retirement Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 1 - Description of the Plan (continued)

Pension Benefits (continued)

Certain benefits are insured by the Pension Benefit Guaranty Corporation ("PBGC") if the Plan terminates. The PBGC typically guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor benefits. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants, the corresponding ceilings are actuarially adjusted downward.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

Eligibility and Vesting

All employees of the Company who have completed one year of continuous service with at least 870 hours of service, and who are eligible as described above, are participants of the Plan.

Participants' benefits in the Plan become fully vested upon completion of three years of qualified service. If termination occurs before rendering three years of service, the right to receive the portion of accumulated plan benefits attributable to the Company's contributions is forfeited. If the employment service resumes and five consecutive one-year breaks in service do not occur, membership in the Plan will be immediate.

Funding Policy

Provisions of the Plan provide that the Company makes contributions of amounts designated by a qualified actuary to be adequate to fund the Plan on a sound actuarial basis. The actuary utilizes the entry age normal cost method with frozen initial liability. The Plan has met the "full funding limitation" as defined by Internal Revenue Code ("IRC") Section 412(c)(7). As a result, the Company made no contributions to the Plan for the years ended December 31, 2013 and 2012 for current or prior service costs.

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

Longview Fibre Paper and Packaging, Inc.
Union Hourly Retirement Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 1 - Description of the Plan (continued)

Disposition of Funds Upon Termination of the Plan

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

1. To provide for refunds of voluntary contributions made by active and retired members;
2. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination.
3. Other vested benefits insured by the PBGC up to the applicable limitations.
4. All other vested benefits (that is, vested benefits not insured by the PBGC).
5. All nonvested benefits.

Payments may be made in lump sums, annuities or as otherwise determined by the Pension Committee.

Plan Amendment

There were two administrative amendments to the Plan during the year ended December 31, 2013, both of which were adopted after the date of the actuarial valuation and did not affect the benefits included in the valuation.

Note 2 - Summary of Significant Accounting Policies

The following are the significant accounting policies followed by the Plan:

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting. Benefits are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein; disclosure of contingent assets and liabilities; and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Longview Fibre Paper and Packaging, Inc.
Union Hourly Retirement Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 2 - Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition

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 5 for a 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 in the period which it is earned. Dividends are recorded on the ex-dividend date.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Risks and Uncertainties

The Plan utilizes various investment securities. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Contributions to the Plan and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

Concentration of Credit Risk

The Plan maintains its cash balance at Bank of America, N.A. This balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. At various times during the year, deposits in the account exceeded the FDIC coverage. The Plan has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash balances.

Plan Expense

A portion of the Plan's administrative expenses are paid by the Company. As provided in the Plan agreement, all other administrative expenses are paid by the Plan.

Longview Fibre Paper and Packaging, Inc.
Union Hourly Retirement Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 2 - Summary of Significant Accounting Policies (continued)

Tax Status

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated January 23, 2013, that the Plan and related trusts are designed in accordance with applicable sections of the IRC. Although the Plan has been amended, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with applicable requirements of the IRC.

Allocation of Master Trust Assets

Investments, cash, interest receivable and the Plan's interest in unrealized appreciation (depreciation) on the valuation of investments at current fair value are generally allocated based on cumulative contributions to the Plan, plus realized investment income (loss), less cumulative benefit payments and contribution refunds since inception. Realized investment income (loss) is allocated to the Plan generally based on the average funds deposited and invested by each plan with the trustee during the year.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. The type and amount of benefits are defined by the Plan document and vary by location. Benefits payable under all circumstances – retirement, death, disability and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits was determined by an actuary from Milliman, Inc. at January 1, 2013 and Buck Consultants on January 1, 2012 and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuations as of January 1, 2013 and 2012 were (a) life expectancy of participants, (b) retirement age assumptions based on a table of anticipated rates of retirement at each of the ages at which retirement eligibility occurs, and (c) expected long-term rate of return on Plan assets. Life expectancy of participants was based on versions of the RP 2000 Table. The January 1, 2013 and 2012 valuations included an expected long-term rate of return on Plan assets of 6.0%.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The interest rates and mortality tables were updated since January 1, 2012 to reflect changes in accordance with Pension Protection Act of 2006 ("PPA"). The effective interest rate for the January 1, 2013 valuation date of 4.90% decreased from the rate used for the January 1, 2012 valuation of 6.97%. The discount rate increased from 6.00% in 2012 to 7.00% in 2013.

Longview Fibre Paper and Packaging, Inc.
Union Hourly Retirement Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 3 - Actuarial Present Value of Accumulated Plan Benefits

Participants' interests in the Plan are actuarially determined as of the beginning of each plan year. The present value of obligations for plan benefits is determined to be the present value of retirement benefits accumulated by participants during the current and prior years to be paid at or during retirement, less benefits forfeited or previously paid. The determination is made using a 7.0% interest rate per annum and the RP-2000 Combined Mortality Table.

Accumulated plan benefits as of January 1, 2013, the valuation date, are summarized as follows:

	<u>2013</u>
Actuarial present value of accumulated plan benefits:	
Vested benefits:	
Participants currently receiving payments	\$ 173,722,459
Other participants	<u>87,641,576</u>
Total vested benefits	261,364,035
Non-vested benefits	<u>6,302,920</u>
Total actuarial present value of accumulated plan benefits	<u><u>\$ 267,666,955</u></u>

The changes in accumulated plan benefits for the year ended January 1, 2013 are as follows:

	<u>Year ended January 1, 2013</u>
Actuarial present value of accumulated plan benefits at January 1, 2012	\$ 293,301,360
Increase (decrease) during the year attributable to:	
Benefits accumulated	2,545,123
Benefits paid	(18,708,467)
Change in actuarial assumptions	(27,554,774)
Actuarial (gain)/loss	1,046,885
Reduction in discount period	<u>17,036,828</u>
Net decrease	<u>(25,634,405)</u>
Actuarial present value of accumulated plan benefits at January 1, 2013	<u><u>\$ 267,666,955</u></u>

Benefits accumulated encompass not only additional benefits earned by active employees, but also actuarial gains and losses and passage of time.

Longview Fibre Paper and Packaging, Inc.
Union Hourly Retirement Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 4 - Interest in Longview Fibre Paper and Packaging, Inc. Master Trust

The Plan's investments are held by the Master Trust which was established for the investment of assets of the Plan and the Pension Plan. At December 31, 2013 and 2012, the Plan's interest in the net assets of the Master Trust was approximately 45%.

The Statements of Net Assets Available for Benefits of the Master Trust at December 31 were as follows:

	<u>2013</u>	<u>2012</u>
Assets:		
Investments held with Wells Fargo as trustee at fair value:		
Cash equivalents	\$ 57,994,169	\$ 131,678,458
Equity securities	147,350,613	11,041
Fixed Income:		
Corporate bonds and notes	294,435,634	290,499,840
U.S. government securities	63,102,880	144,281,132
Mortgage backed securities	10,404,447	15,618,859
Real estate investment trust	24,412,415	22,484,491
Limited partnership interest	<u>21,186,657</u>	<u>21,056,313</u>
Total investments held by Wells Fargo	618,886,815	625,630,134
Investments held with the McDermott Trust at fair value:		
Limited partnership interests	<u>5,301,266</u>	<u>6,582,826</u>
Total investments	624,188,081	632,212,960
Other receivables	60,714	60,714
Cash	<u>193,655</u>	<u>122,895</u>
Total assets	624,442,450	632,396,569
Liabilities:		
Plan expenses payable	258,150	172,241
Other payables	<u>60,714</u>	<u>60,714</u>
Net assets available for benefits	<u><u>\$ 624,123,586</u></u>	<u><u>\$ 632,163,614</u></u>

Longview Fibre Paper and Packaging, Inc.
Union Hourly Retirement Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 4 - Interest in Longview Fibre Paper and Packaging, Inc. Master Trust (continued)

The net investment income (loss) of the Master Trust for the years ended December 31, 2013 and 2012 is summarized below:

	2013	2012
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments held with Wells Fargo as trustee:		
Cash equivalents	\$ 38,199,173	\$ 37,139,128
Equity securities	109,788,229	269,065
Fixed income and mortgage backed securities	(142,591,142)	(17,293,583)
Real estate investment trust	705,167	(449,704)
Limited partnerships interest	155,405	1,439,655
	<hr/>	<hr/>
Total net appreciation in fair value of investments	6,256,832	21,104,561
Net appreciation in fair value of limited partnership interest held with the McDermott Trust	821,249	446,204
Dividends and interest income	<hr/> 21,002,042	<hr/> 21,248,527
Net investment income	<hr/> <u>\$ 28,080,123</u>	<hr/> <u>\$ 42,799,292</u>

Note 5 – Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, establishes a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data. The level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 – Level one inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date. An active market is one in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Longview Fibre Paper and Packaging, Inc.
Union Hourly Retirement Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 5 – Fair Value Measurements (continued)

Level 2 – Level two inputs are inputs other than quoted prices included within level one that are observable for the asset or liability, either directly or indirectly, at the measurement date. Fair value is determined through the use of models or other valuation methodologies. Such methodologies 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; and 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 two inputs must be observable for substantially the full term of the asset or liability.

Level 3 – Level three pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

Following is a description of the valuation methodologies used for assets measured at fair value for the Master Trust. There have been no changes in the methodologies used at December 31, 2013 and 2012.

Cash equivalents: Valued at amortized cost, which approximates fair value.

Equity securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate bonds and notes, U.S. government securities and municipal bonds: Valued at the closing trade price on day of valuation based on information from third-party pricing services as obtained by Wells Fargo.

Mortgage backed securities: Valued using quotations from an independent pricing service which may employ methodologies that utilize actual market transactions, actual quotations from broker-dealers, or other formula-driven valuation techniques, which consider factors such as yields or prices of bonds of comparable quality, type of issue, coupon, maturity, ratings and general market conditions.

Real estate investment trust: The underlying holdings of this investment are in diversified real estate assets, which are valued using independent appraisers. Investments are redeemed at the current net asset value per share based on the fair value of the underlying assets.

Limited partnership interests: Certain partnership interests are valued at the fund net asset values of each investee fund. For other partnership interest, independent appraisers value properties on an annual basis (at a minimum) and salient valuation assumptions of each asset are reviewed quarterly by the fund trustee in the determination of value of the fund.

Longview Fibre Paper and Packaging, Inc.
Union Hourly Retirement Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 5 – Fair Value Measurements (continued)

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 management of the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Master Trust's assets measured at fair value as of December 31, 2013 and 2012:

2013				
Asset	Level 1	Level 2	Level 3	Total
Cash equivalents (1)	\$ 57,994,169	\$ -	\$ -	\$ 57,994,169
Equity securities	147,350,613	-	-	147,350,613
Fixed income:				
Corporate bonds and notes:				
Short-term (2)	-	144,438,040	-	144,438,040
Mid-term (2)	-	136,411,690	-	136,411,690
Long-term (2)	-	13,585,904	-	13,585,904
U.S. government securities	-	63,102,880	-	63,102,880
Mortgage backed securities	-	10,404,447	-	10,404,447
Real estate investment trust	-	-	24,412,415	24,412,415
Limited partnership interests	-	-	26,487,923	26,487,923
Total	\$ 205,344,782	\$ 367,942,961	\$ 50,900,338	\$ 624,188,081

(1) The decrease in cash equivalents resulted from movement into equity investments

(2) Short-term: 0-5 year maturities | Mid-term: 5-10 year maturities | Long-term: >10 year maturities

2012				
Asset	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 131,678,458	\$ -	\$ -	\$ 131,678,458
Equity securities	11,041	-	-	11,041
Fixed income:				
Corporate bonds and notes:				
Short-term (1)	-	164,792,330	-	164,792,330
Mid-term (1)	-	119,452,787	-	119,452,787
Long-term (1)	-	6,254,723	-	6,254,723
U.S. government securities	-	144,281,132	-	144,281,132
Mortgage backed securities	-	15,618,859	-	15,618,859
Real estate investment trust	-	-	22,484,491	22,484,491
Limited partnership interests	-	-	27,639,139	27,639,139
Total	\$ 131,689,499	\$ 450,399,831	\$ 50,123,630	\$ 632,212,960

(1) Short-term: 0-5 year maturities | Mid-term: 5-10 year maturities | Long-term: >10 year maturities

Longview Fibre Paper and Packaging, Inc.
Union Hourly Retirement Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 5 – Fair Value Measurements (continued)

Transfers Between Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. There were no significant transfers between levels within the Master Trust for the years ended December 31, 2013 and 2012.

Changes in Fair Value of Level 3 Assets and Related Gains and Losses

The following tables set forth a summary of changes in the fair value of the Master Trust's Level 3 assets for the years ended December 31, 2013 and 2012.

Year ended December 31, 2013	Real Estate Investment Trust	Limited Partnership Interests	Total
Balance, beginning of year	\$ 22,484,491	\$ 27,639,139	\$ 50,123,630
Transfers into Level 3	-	-	-
Transfers out of Level 3	-	-	-
Total gains or losses:			
Included in changes in net assets	3,150,680	4,329,464	7,480,144
Included in other comprehensive income	-	-	-
Purchases, issuances, sales, and settlements:			
Purchases	-	827,500	827,500
Issuances	-	-	-
Sales	(1,222,756)	(6,308,180)	(7,530,936)
Settlements	-	-	-
Balance, end of year	<u>\$ 24,412,415</u>	<u>\$ 26,487,923</u>	<u>\$ 50,900,338</u>
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	<u>\$ 2,184,534</u>	<u>\$ 920,655</u>	<u>\$ 3,105,189</u>

Longview Fibre Paper and Packaging, Inc.
Union Hourly Retirement Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 5 – Fair Value Measurements (continued)

Changes in Fair Value of Level 3 Assets and Related Gains and Losses (continued)

Year ended December 31, 2012	Real Estate Investment Trust	Limited Partnership Interests	Total
Balance, beginning of year	\$ 21,261,438	\$ 27,811,793	\$ 49,073,231
Transfers into Level 3	-	-	-
Transfers out of Level 3	-	-	-
Total gains or losses:			
Included in changes in net assets	2,105,809	2,736,068	4,841,877
Included in other comprehensive income	-	-	-
Purchases, issuances, sales, and settlements:			
Purchases	-	2,423,750	2,423,750
Issuances	-	-	-
Sales	(882,756)	(5,332,472)	(6,215,228)
Settlements	-	-	-
Balance, end of year	<u>\$ 22,484,491</u>	<u>\$ 27,639,139</u>	<u>\$ 50,123,630</u>
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date			
	<u>\$ 1,247,447</u>	<u>\$ (850,732)</u>	<u>\$ 396,715</u>

Gains and losses (realized and unrealized) included in changes in net assets for the periods above are reported in net appreciation in fair value of investments in the Statements of Changes in Net Assets Available for Benefits.

Longview Fibre Paper and Packaging, Inc.
Union Hourly Retirement Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 5 – Fair Value Measurements (continued)

Fair Value of Investments the Calculate Net Asset Value

The following table summarizes investments measured at fair value based on net asset value (NAVs) per share as of December 31, 2013 and 2012, respectively.

Year	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
December 31, 2013				
Limited partnership interest	\$26,487,923	\$5,471,669	(a)	(a)
Real estate investment trust	\$24,412,415	N/A	(b)	(b)
December 31, 2012				
Limited partnership interest	\$27,639,139	\$6,299,129	(a)	(a)
Real estate investment trust	\$22,484,491	N/A	(b)	(b)

(a) The class includes several funds that invest in limited partnerships. The fair values of the investments in this class have been estimated using the net asset value of the Company's ownership interest in partners' capital. Distributions from each fund will be received as the underlying investments of the funds are liquidated.

(b) This category invests the majority of its assets in U.S. commercial real estate holdings including industrial, office, retail, residential and land, which are valued using independent appraisers who primarily use the income capitalization and sales comparable approaches. Redemption requests must be received in writing 45 days prior to the end of the quarter and investments are redeemed at the current net asset value per share based on the fair value of the underlying assets.

Note 6 - Commitments

As of December 31, 2013 and 2012, the Plan and Pension Plan have a commitment to contribute capital to nine partnership groups totaling approximately \$5,471,669 and \$6,299,129, respectively.

Note 7 – Related Party Transactions

Certain Plan investments are shares of mutual funds managed by Wells Fargo Bank, N.A., or an affiliate thereof. Wells Fargo is the trustee as defined by the Plan and, therefore, these transactions qualify as exempt party-in-interest transactions.

Longview Fibre Paper and Packaging, Inc.
Union Hourly Retirement Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

Note 8 – Subsequent Events

During 2014, the Pension Committee approved merging of the Longview Fibre Paper and Packaging, Inc. Employees' Pension Plan, the Longview Fibre Paper and Packaging, Inc. Union Hourly Retirement Plan and the KapStone Paper and Packaging Corporation Defined Benefit Retirement Plan into one plan. The merging of these plans is anticipated to occur prior to the end of 2014.

Additionally, during 2014 the Pension Committee elected to use Fidelity Investments as the record keeper and actuary for all Company benefit plans.

On August 8, 2014, the President signed into law the Highway and Transportation Funding Act of 2014 ("HATFA"). Among other things, this legislation adjusts the interest rates used to calculate pension liabilities and funding obligations for defined benefit pension plans.

Under normal rules, funding obligations are calculated using a two-year average of interest rates. Interest rate volatility led congress to pass legislation in 2012 to temporarily narrow the specified range utilized in calculating interest rates. HATFA extends this 'corridor' approach and modifies the ranges and phase-out periods for the limitations.

The intent of this legislation is to reduce plan-sponsor contributions to defined benefit plans in the near-term (thus increasing taxable income), followed by increased contributions in future years. HATFA does not impact benefit accruals or the pension obligations of the Plan to participants. The Company is currently evaluating the impact of this legislation on the Plan, but anticipates a near-term decrease in required cash contributions.

Subsequent events have been evaluated through September 30, 2014, the date of the independent certified public accountants report noting no additional matters that require disclosure or adjustment to the financial statements.

**Distribution of Active Participants by Age and
 Years of Credited Service
 January 1, 2013**

<u>AGE</u>	<u>UNDER 1</u>	<u>1 TO 4</u>	<u>5 TO 9</u>	<u>10 TO 14</u>	<u>15 TO 19</u>	<u>20 TO 24</u>
Under 25	2	1	1	0	0	0
25 to 29	6	2	16	0	0	0
30 to 34	4	11	30	3	0	0
35 to 39	7	2	17	18	8	0
40 to 44	2	3	14	14	40	2
45 to 49	7	1	13	12	39	21
50 to 54	4	8	7	8	26	37
55 to 59	2	3	5	6	12	23
60 to 64	2	0	3	3	11	7
65 & Up	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>0</u>
Totals	36	31	106	66	138	90

YEARS OF BENEFIT SERVICE

<u>AGE</u>	<u>25 TO 29</u>	<u>30 TO 34</u>	<u>35 TO 39</u>	<u>40 AND OVER</u>	<u>ALL YEARS</u>
Under 25	0	0	0	0	4
25 to 29	0	0	0	0	24
30 to 34	0	0	0	0	48
35 to 39	0	0	0	0	52
40 to 44	0	0	0	0	75
45 to 49	11	0	0	0	104
50 to 54	38	27	11	0	166
55 to 59	39	26	57	7	180
60 to 64	9	3	12	5	55
65 & Up	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>6</u>
Totals	97	57	80	13	714

Actuarial Assumptions and Actuarial Cost Method

Discount Rates

The following discount rates were used for calculating the present value of accumulated plan benefits for the purposes listed below. As selected by the Plan Sponsor, the rates for calculating the PPA Funding Target are the September 2012 segment rates adjusted as required by MAP-21 and HATFA.

- PPA Funding Target
 - Segment 1 payments under 5 years 5.23%
 - Segment 2 payments between 5 and 20 years 6.51%
 - Segment 3 payments after 20 years 7.16%

Mortality

For calculating the Funding Target, mortality follows the RP-2000 annuitant and non-annuitant mortality tables for 2013 as prescribed by the IRS.

Future Salary Increases

Not Applicable.

Interest Crediting Rate on 2010 Cash Accounts and 2001 Cash Accounts

3.50% per annum

Administrative Expenses

Assumed to be \$300,000 annually, payable at the beginning of the year.

Retirement Rates

Employees are assumed to retire based on the following rates:

Age	Assumption
55	5%
56	5%
57	3%
58	4%
59	4%
60	5%
61	5%
62	35%
63	30%
64	35%
65	100%

Former employees as of the valuation date are assumed to retire at age 65.

Withdrawal Rates for Active Participants Not Eligible for Retirement

Sample rates as follows:

Age	Male	Female
20	22.5%	31.5%
25	16.5%	23.3%
30	12.1%	16.0%
35	8.6%	10.8%
40	5.6%	6.9%
45	3.8%	4.8%
50	3.3%	4.2%
55	2.7%	3.5%
60	1.9%	3.0%
64	1.3%	2.6%

Disability Rates for Active Employees

Sample rates as follows:

Age	Assumption
45	0.25%
50	0.75%
55	1.25%
60	1.25%
65	0.00%

Assumed Optional Payment Forms

Cash Accounts

Employees are assumed to take their cash accounts immediately as a lump sum.

Frozen Monthly Benefits

Employees who retire and take an annuity are assumed to elect the single life annuity form of payment. All optional forms are actuarially equivalent to the single life annuity.

Marital Percentage

100% of participants are assumed to be married at death. Husbands are assumed to be 4 years older than their wives.

Death Benefits

Charges to terminated employees for the QPSA coverage on annuity benefits were not reflected.

The special \$1,000 death benefit was valued for retirees reported as eligible for this benefit and active employees assumed to retire from active status.

Actuarial Value of Assets

The Actuarial Value of Assets is set equal to the Market value of assets, including the discounted value of receivable contributions.

Actuarial Cost Method

For purposes of calculating the Funding Target, we calculate the actuarial present value of benefits accrued as of the beginning of the plan year. This cost method is typically referred to as the Unit Credit method.

Summary of Changes from the January 1, 2012 Valuation

- For the Funding Target calculations, the mortality assumption was updated to the projected RP-2000 annuitant and non-annuitant mortality tables for 2013 as prescribed by the IRS.
- The discount rates used to calculate the Funding Target were updated based on the relevant published values.
- The annual interest credit rate on cash accounts was decreased from 4.50% in 2012 to 3.50% in 2013.

Actuarial Assumptions and Actuarial Cost Method

Discount Rates

The following discount rates were used for calculating the present value of accumulated plan benefits for the purposes listed below. As selected by the Plan Sponsor, the rates for calculating the PPA Funding Target are the September 2012 segment rates adjusted as required by MAP-21 and HATFA.

- PPA Funding Target
 - Segment 1 payments under 5 years 5.23%
 - Segment 2 payments between 5 and 20 years 6.51%
 - Segment 3 payments after 20 years 7.16%

Mortality

For calculating the Funding Target, mortality follows the RP-2000 annuitant and non-annuitant mortality tables for 2013 as prescribed by the IRS.

Future Salary Increases

Not Applicable.

Interest Crediting Rate on 2010 Cash Accounts and 2001 Cash Accounts

3.50% per annum

Administrative Expenses

Assumed to be \$300,000 annually, payable at the beginning of the year.

Retirement Rates

Employees are assumed to retire based on the following rates:

Age	Assumption
55	5%
56	5%
57	3%
58	4%
59	4%
60	5%
61	5%
62	35%
63	30%
64	35%
65	100%

Former employees as of the valuation date are assumed to retire at age 65.

Withdrawal Rates for Active Participants Not Eligible for Retirement

Sample rates as follows:

Age	Male	Female
20	22.5%	31.5%
25	16.5%	23.3%
30	12.1%	16.0%
35	8.6%	10.8%
40	5.6%	6.9%
45	3.8%	4.8%
50	3.3%	4.2%
55	2.7%	3.5%
60	1.9%	3.0%
64	1.3%	2.6%

Disability Rates for Active Employees

Sample rates as follows:

Age	Assumption
45	0.25%
50	0.75%
55	1.25%
60	1.25%
65	0.00%

Assumed Optional Payment Forms

Cash Accounts

Employees are assumed to take their cash accounts immediately as a lump sum.

Frozen Monthly Benefits

Employees who retire and take an annuity are assumed to elect the single life annuity form of payment. All optional forms are actuarially equivalent to the single life annuity.

Marital Percentage

100% of participants are assumed to be married at death. Husbands are assumed to be 4 years older than their wives.

Death Benefits

Charges to terminated employees for the QPSA coverage on annuity benefits were not reflected.

The special \$1,000 death benefit was valued for retirees reported as eligible for this benefit and active employees assumed to retire from active status.

Actuarial Value of Assets

The Actuarial Value of Assets is set equal to the Market value of assets, including the discounted value of receivable contributions.

Actuarial Cost Method

For purposes of calculating the Funding Target, we calculate the actuarial present value of benefits accrued as of the beginning of the plan year. This cost method is typically referred to as the Unit Credit method.

Summary of Changes from the January 1, 2012 Valuation

- For the Funding Target calculations, the mortality assumption was updated to the projected RP-2000 annuitant and non-annuitant mortality tables for 2013 as prescribed by the IRS.
- The discount rates used to calculate the Funding Target were updated based on the relevant published values.
- The annual interest credit rate on cash accounts was decreased from 4.50% in 2012 to 3.50% in 2013.

Changes in Actuarial Assumptions for 2013 Plan Year

- For the Funding Target calculations, the mortality assumption was updated to the projected RP-2000 annuitant and non-annuitant mortality tables for 2013 as prescribed by the IRS.
- The discount rates used to calculate the Funding Target were updated based on the relevant published values.
- The annual interest credit rate on cash accounts was decreased from 4.50% in 2012 to 3.50% in 2013.