Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2014

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [X] the final return/report;
- [X] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
UNION HOURLY RETIREMENT PLAN OF LONGVIEW FIBRE PAPER & PACKAGING INC.

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1948

2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)
LONGVIEW FIBRE PAPER & PACKAGING INC.

PO BOX 639
LONGVIEW, WA 98632-7411

300 FIBRE WAY
LONGVIEW, WA 98632-7411

2b Employer Identification Number (EIN)
20-3674771

2c Plan Sponsor's telephone number
847-239-8878

2d Business code (see instructions)
322100

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 [X] Same as Plan Sponsor	**3b**	Administrator's EIN
		3c	Administrator's telephone number
4	If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:	**4b**	EIN
a	Sponsor's name	**4c**	PN

5	Total number of participants at the beginning of the plan year	**5**	3147
6	Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1)	Total number of active participants at the beginning of the plan year	**6a(1)**	698
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	0
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	0
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	0
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f	Total. Add lines **6d** and **6e**.	**6f**	0
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan 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)		**9b** Plan benefit arrangement (check all that apply)	
(1) [ ]	Insurance	**(1)** [ ]	Insurance
(2) [ ]	Code section 412(e)(3) insurance contracts	**(2)** [ ]	Code section 412(e)(3) insurance contracts
(3) [X]	Trust	**(3)** [X]	Trust
(4) [ ]	General assets of the sponsor	**(4)** [ ]	General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1) [X] **R** (Retirement Plan Information)

(2) [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary

(3) [X] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1) [X] **H** (Financial Information)

(2) [ ] **I** (Financial Information – Small Plan)

(3) [ ] ___ **A** (Insurance Information)

(4) [X] **C** (Service Provider Information)

(5) [X] **D** (DFE/Participating Plan Information)

(6) [ ] **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE 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

2014

This Form is Open to Public Inspection

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

▶ **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
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 or 5500-SF
LONGVIEW FIBRE PAPER & PACKAGING INC.

D Employer Identification Number (EIN)
20-3674771

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2014

2 Assets:

a Market value	**2a**	278515554
b Actuarial value	**2b**	278515554

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	1781	189185194	189185194
b For terminated vested participants	746	17586101	17586101
c For active participants	653	73222336	78124689
d Total	3180	279993631	284895984

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**	6.42%
6 Target normal cost	**6**	387871

Statement by Enrolled Actuary

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

SIGN HERE

Signature of actuary — Date: 09/24/2015

SCOTT PREPPERNAU, F.S.A., E.A. — Type or print name of actuary

14-07360 — Most recent enrollment number

MILLIMAN INC. — Firm name

503-227-0634 — 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 [ ]

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)	7969403	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)	7969403	0
10	Interest on line 9 using prior year's actual return of 3.78%	301243	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(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.62 %		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		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		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	8270646	0

Part III Funding Percentages

14	Funding target attainment percentage	14	94.85 %
15	Adjusted funding target attainment percentage	15	94.85 %
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	104.14 %
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	
	b Contributions made to avoid restrictions adjusted to valuation date	19b	
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	

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:	2nd segment:	3rd segment:	
4.99 %	6.32 %	6.99 %	☐ 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**	
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**	387871
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	14651076	2451989
b Waiver amortization installment		

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**	2839860

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	2839860		2839860

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**	
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)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2014** **This Form is Open to Public Inspection.**

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan	**B** Three-digit plan number (PN) ▶
UNION HOURLY RETIREMENT PLAN OF LONGVIEW FIBRE PAPER & PACKAGING INC.	001

C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)
LONGVIEW FIBRE PAPER & PACKAGING INC.	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

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(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)

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	132062	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(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	97429	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

JEFFREY SLOCUM & ASSOCIATES

41-1567437

(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	76618	Yes [ ] No [X]	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)

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	40575	Yes [ ] No [X]	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	15703	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2014

This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan
UNION HOURLY RETIREMENT PLAN OF LONGVIEW FIBRE PAPER & PACKAGING INC.

B Three-digit plan number (PN) ▶ 001

C Plan or DFE 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 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	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
20-3674771-003	M	0

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	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
20-3674771-004	M	0

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

b Name of sponsor of entity listed in (a):

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

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

b Name of sponsor of entity listed in (a):

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

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

b Name of sponsor of entity listed in (a):

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

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

b Name of sponsor of entity listed in (a):

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

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

b Name of sponsor of entity listed in (a):

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

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

b Name of sponsor of entity listed in (a):

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

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

b Name of sponsor of entity listed in (a):

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

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

b Name of sponsor of entity listed in (a):

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

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

b Name of sponsor of entity listed in (a):

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

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

b Name of sponsor of entity listed in (a):

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

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

b Name of sponsor of entity listed in (a):

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

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

b Name of sponsor of entity listed in (a):

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

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

b Name of sponsor of entity listed in (a):

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

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

b Name of sponsor of entity listed in (a):

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

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

b Name of sponsor of entity listed in (a):

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

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

b Name of sponsor of entity listed in (a):

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

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

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

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

SCHEDULE H
(Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2014

This Form is Open to Public Inspection

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

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 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	61522	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	60714	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	278497026	0
(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)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(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	278619262	0
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h	103708	0
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	103708	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	278515554	0

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)		17305217
(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		17305217
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	24127213	
(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)		24127213
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)	177241	
(4) Other	2i(4)	1345121	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		1522362
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		25649575
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-8344358
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		270171196

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) [X] 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 [X] 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:

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

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)
KAPSTONE PAPER AND PACKAGING CO. DEFINED BENEFIT RETIREMENT PLAN	20-2699372	002

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2014

This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

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 | 5

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ Yes ☒ No ☐ N/A

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... | 6a |

b Enter the amount contributed by the employer to the plan for this plan year ..... | 6b |

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... | 6c |

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ Yes ☐ No ☐ N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ Yes ☐ No ☐ N/A

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ Increase ☐ Decrease ☐ Both ☒ No

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ Yes ☐ No

11 a Does the ESOP hold any preferred stock? ..... ☐ Yes ☐ No

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ Yes ☐ No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ Yes ☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

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

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

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

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

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

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

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

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

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

a Enter the percentage of plan assets held as:
Stock: 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):

Grant Thornton LLP
111 SW Columbia, Suite 800
Portland, OR 97201-5813

T 503.222.3562
F 503.295.0148
www.GrantThornton.com

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying financial statements of Union Hourly Retirement Plan of Longview Fibre Paper and Packaging, Inc. (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013 and 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 Union Hourly Retirement Plan of Longview Fibre Paper and Packaging, Inc.'s net assets available for benefits as of December 31, 2014 and 2013, and changes therein for the years then ended, and its financial status as of December 31, 2013, and changes therein for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Portland, Oregon
October 14, 2015

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

2014

This Form is Open to Public Inspection

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

▶ **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

Union Hourly Retirement Plan of Longview Fibre

B Three-digit plan number (PN) ▶ 001

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

Longview Fibre Paper & Packaging Inc.

D Employer Identification Number (EIN)

20-3674771

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2014

2 Assets:

a Market value	**2a**	278,515,554
b Actuarial value	**2b**	278,515,554

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	1,781	189,185,194	189,185,194
b For terminated vested participants	746	17,586,101	17,586,101
c For active participants	653	73,222,336	78,124,689
d Total	3,180	279,993,631	284,895,984

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**	6.42 %
6 Target normal cost	**6**	387,871

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

08/28/2015

Date

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

Type or print name of actuary

14-07360

Most recent enrollment number

Milliman, Inc.

Firm name

(503) 227-0634

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 [ ]

SB Actuary Signature

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)	7,969,403	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	
9	Amount remaining (line 7 minus line 8)	7,969,403	0
10	Interest on line 9 using prior year's actual return of 3.78%	301243	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(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.62%		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		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		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	8,270,646	0

Part III Funding Percentages

14	Funding target attainment percentage	14	94.85 %
15	Adjusted funding target attainment percentage	15	94.85 %
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	104.14 %
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	
	b Contributions made to avoid restrictions adjusted to valuation date	19b	
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	

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

SB Actuary Signature

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.99 %	6.32 %	6.99 %	☐ 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	
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	387,871
b Excess assets, if applicable, but not greater than line 31a	31b	0

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	14,651,076	2,451,989
b Waiver amortization installment		

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	2,839,860

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	2,839,860		2,839,860

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	
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	

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.

2014 Schedule SB, Line 26 – Schedule of Active Participant Data
Union Hourly Retirement Plan of Longview Fibre and Packaging Inc.
EIN/PN: 20-3674771/001

Distribution of Active Participants by Age and Years of Credited Service
January 1, 2014

	Years of Credited Service										
Age	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40&Up	Total
0-24	-	2	-	-	-	-	-	-	-	-	2
25-29	-	6	13	-	-	-	-	-	-	-	19
30-34	-	12	30	6	-	-	-	-	-	-	48
35-39	-	7	10	17	3	1	-	-	-	-	38
40-44	1	4	10	17	31	11	-	-	-	-	74
45-49	1	5	7	12	27	23	4	-	-	-	79
50-54	-	10	3	11	18	28	58	10	10	-	148
55-59	-	5	7	5	14	14	40	22	64	13	184
60-64	-	3	3	3	7	3	16	3	10	11	59
65-69	-	-	-	1	-	1	-	-	-	-	2
70&Up	-	-	-	-	-	-	-	-	-	-	-
Total	2	54	83	72	100	81	118	35	84	24	653

Schedule of Amortization Bases
(January 1, 2014)

Date Established	Description	Amortization Amount	Remaining Years	Outstanding Balance
01/01/2014	Shortfall Amortization	$ 2,451,989	7	$ 14,651,076
Total		$ 2,451,989		$ 14,651,026

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 2013 segment rates, as adjusted for HATFA Interest Rate stabilization.

- PPA Funding Target
  - Segment 1 payments under 5 years 4.99%
  - Segment 2 payments between 5 and 20 years 6.32%
  - Segment 3 payments after 20 years 6.99%

Mortality

For calculating the Funding Target, mortality follows the RP-2000 annuitant and non-annuitant mortality tables for 2014 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, 2013 Valuation

- For the Funding Target calculations, the mortality assumption was updated to the projected RP-2000 annuitant and non-annuitant mortality tables for 2014 as prescribed by the IRS.
- The discount rates used to calculate the Funding Target and maximum deductible contribution were updated based on the relevant published values, including reflecting HATFA.

Plan Summary (Effective January 1, 2014)

Name

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

Effective Date

January 1, 1948. The Plan was last restated effective June 1, 2010. The Plan was last amended by the sixth Amendment adopted June 30, 2014.

Plan Year

January 1 to December 31.

Type of Employees Covered

All employees of Longview Fibre Paper and Packaging, Inc. who are covered by a collective bargaining agreement that provides for Participation in the plan. Eligible employees do not include leased employees or nonresident aliens with no US income.

Participation Date

First day of the pay period following completion of one year of Qualifying Service. No Longview or Seattle employees shall become a participant after January 1, 2011.

Average Ending Compensation (Longview and Seattle participants)

The average Compensation for the five highest annual Compensation amounts (not necessarily consecutive) over the last 10 years of service. Earnings after December 31, 2010 are not eligible for the average.

Benefit Service

Qualifying Service during which the employee is eligible to participate in the plan. No Benefit Service is earned after December 31, 2010 for Longview or Seattle participants.

Qualifying Service

Any period of employment with Longview Fibre Company or any other company in the same controlled group.

Type A: 1 year for at least 870 hours in 12-month period from date of hire or anniversary.

Type B: 1 year for each year of continuous employment with at least 1,000 hours immediately prior to retirement. Sick leave, vacations, holidays, armed forces service, other leaves, and time off for industrial illness or injury are counted for this purpose.

Normal Retirement Date

The first day of the month coincident with or immediately following attainment of age 65.

Normal Retirement Benefit – Longview and Seattle (Frozen as of December 31, 2010)

1.1% of average ending compensation times years of Benefit Service (frozen as of December 31, 2010)

2001 Cash Account – Longview and Seattle

Hypothetical cash balance determined as follows:

Eligibility:

Active employees on June 1, 2000 or July 7, 2000. (Longview)

Active employees on December 31, 2000. (Seattle)

Contribution Credits:

- $1,100 times Benefit Service as of June 1, 2000, credited as of January 1, 2001
- $5,500 minus January 1, 2001 balance, credited as of the date on which the participant completes 5 years of Benefit Service (if after January 1, 2001 and prior to June 1, 2006)

Interest Credits:

Credited monthly based on the average yield on 10-year US Treasury Constant Maturities for November of the previous calendar year.

Annuity Conversion:

Actuarial equivalence is based on Applicable Interest and Mortality under IRC Section 417(e)(3).

2010 Cash Account – Longview and Seattle

Hypothetical cash balance determined as follows:

Eligibility:

Active employees on December 31, 2010 whose whole years of age plus whole years of Benefit Service as of December 31, 2010, equaled 65 or more years.

Contribution Credits:

- $300 times Benefit Service as of December 31, 2010, credited as of December 31, 2010
- $300 times Benefit Service as of December 31, 2011, credited as of December 31, 2011 (if still an employee of Longview Fibre Paper and Packaging at that time).
- $300 times Benefit Service as of December 31, 2012, credited as of December 31, 2012 (if still an employee of Longview Fibre Paper and Packaging at that time).
- $300 times Benefit Service as of December 31, 2013, credited as of December 31, 2013 (if still an employee of Longview Fibre Paper and Packaging at that time).

Interest Credits:

Credited monthly based on the average yield on 10-year US Treasury Constant Maturities for November of the previous calendar year.

Annuity Conversion:

Actuarial equivalence is based on Applicable Interest and Mortality under IRC Section 417(e)(3).

Normal Retirement Benefit – Oakland

Flat benefit, $32.00 per month per year of Benefit Service effective January 1, 2005, increasing to $33.00 per month per year of service effective January 1, 2006, increasing to $34.00 per month per year of Benefit Service effective January 1, 2007, increasing to $35.00 per month per year of Benefit Service effective January 1, 2008, increasing to $36.00 per month per year of Benefit Service effective January 1, 2009, increasing to $38.00 per month per year of Benefit Service effective January 1, 2011.

Early Retirement – Longview and Seattle

Eligibility:

Termination of employment after age 55 with 15 years of service.

Benefit:

- Cash Accounts are payable as lump sums or as actuarially equivalent annuities.
- Frozen annuity benefits are payable with no reduction at age 62 and a reduction of 3.0% per year prior to age 62.

Early Retirement – Oakland

Eligibility:

Termination of employment after age 55 with 20 years of service.

Benefit:

Reduction of 6.67% per year from age 60 to age 65, then 3.33% per year from age 55 to age 60. No reduction at age 62 with 30 years of service.

Disability Benefit

Eligibility:

Completion of 10 years (Longview and Seattle) or 15 years (Oakland) of Qualifying Service (Type B) and deemed disabled by Social Security Administration.

Benefit:

- Accrued benefit (excluding any cash account benefit) payable immediately with no reduction.
- Cash Accounts may be taken as lump sums or actuarially equivalent annuities.

Pre-retirement Death Benefit

Eligibility:

Completion of 3 years of Qualifying Service (Type A) or 10 years of Qualifying Service (Type B).

Benefit:

- The cash balance account, if any, is payable as a lump sum or as an actuarially equivalent annuity payable to the survivor.
- 50% of the annuity benefit the participant would have received if terminated on the date of death and retired with a 50% J&S benefit at the earliest possible retirement date.
- The annuity benefit is reduced for periods subsequent to termination of employment for coverage under this provision. Vested terminated employees may opt out of coverage.

Special Death Benefit:

$1,000 will be paid in a single lump sum upon the death of a participant who has met the requirements for normal, early, disability or late retirement and whose Beneficiary receives no employer-provided insurance proceeds. Active participants are generally covered by a group life insurance policy.

Deferred Vested Benefit

Eligibility:

Completion of 3 years of Qualifying Service (Type A) or 10 years of Qualifying Service (Type B).

Benefit:

- Accrued benefit payable at normal retirement date.
- Cash Accounts, if any, accumulate with interest credits until benefit commencement and may be taken as lump sums or actuarially equivalent annuities.
- Longview and Seattle participants with 15 years of Qualifying Service (Type B) may commence receiving frozen annuity benefits in an actuarially equivalent amount on or after age 55.
- Oakland participants with 20 years of Qualifying Service (Type B) may commence receiving benefits in an actuarially equivalent amount on or after age 55.

Forms of Payment

i) Life annuity

ii) 50% Joint & Survivor annuity

iii) 75% Joint & Survivor annuity

iv) 100% Joint & Survivor annuity

The cash balance account may be paid as a single lump sum, regardless of the value.

A lump sum will be paid if the amount of the entire benefit (including the cash balance) does not exceed $1,000.

Coordination with Pension Plan

A continuously employed individual who has participated in the company's Retirement and Pension Plans and who retires as a Participant in the Retirement Plan will receive a benefit from both plans, with each benefit based on service accrued under the respective plan.

Plan Changes

During 2013 the Third and Fourth Amendments to the plan were adopted, but made administrative changes that do not affect the benefits included in the valuation.

The Fifth and Sixth Amendments were adopted after the January 1, 2014 valuation date and were not included in the valuation.

Increases to the Internal Revenue Code Section 401(a)(17) compensation limit and the Section 415 annual benefit limit are reflected, but had an immaterial impact on the valuation.

Financial Statements and Report of Independent Certified Public Accountants

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

December 31, 2014 and 2013

Contents

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Statements of Net Assets Available for Benefits	5
Statements of Changes in Net Assets Available for Benefits	6
Notes to Financial Statements	7

Grant Thornton LLP
111 SW Columbia, Suite 800
Portland, OR 97201-5813

T 503.222.3562
F 503.295.0148
www.GrantThornton.com

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying financial statements of Union Hourly Retirement Plan of Longview Fibre Paper and Packaging, Inc. (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013 and 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 Union Hourly Retirement Plan of Longview Fibre Paper and Packaging, Inc.'s net assets available for benefits as of December 31, 2014 and 2013, and changes therein for the years then ended, and its financial status as of December 31, 2013, and changes therein for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Portland, Oregon
October 14, 2015

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

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

As of December 31,

	2014	2013
ASSETS		
Investments, at fair value		
Plan interest in Longview Fibre Paper and Packaging, Inc. Master Trust (Note 4)	$ -	$ 278,497,026
Other receivables	-	60,714
Cash	-	61,522
Total assets	-	278,619,262
LIABILITIES		
Plan expenses payable	-	103,708
Net assets available for benefits	$ -	$ 278,515,554

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

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

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the years ended December 31,

	2014	2013
Additions:		
Net appreciation in fair value of the Longview Fibre Paper and Packaging, Inc. Master Trust (Note 4)	$ 17,305,217	$ 10,533,466
Deductions:		
Benefits paid directly to participants	24,127,213	20,282,780
Plan expenses	1,522,362	817,969
Total deductions	25,649,575	21,100,749
Transfers to KapStone Pension Plan (Note 1, 3)	270,171,196	–
Net decrease	(278,515,554)	(10,567,283)
Net assets available for benefits		
Beginning of year	278,515,554	289,082,837
End of year	$ –	$ 278,515,554

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

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

NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2014 and 2013

NOTE 1 - DESCRIPTION OF THE PLAN

The following description of the Union Hourly Retirement Plan of Longview Fibre Paper and Packaging, Inc. (the "Longview Retirement Plan" or 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. ("Longview") was acquired by KapStone Paper and Packaging Corporation (the "Company"). The name of the Plan was retained. The Company maintains the Plan and the Employees' Pension Plan of Longview Fibre Paper and Packaging, Inc. (the "Longview 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.

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

Subsequent to the acquisition of Longview, eligible Longview employees remained participants in the Longview Pension Plan and Longview Retirement Plan through December 31, 2014. The Company determined that it is in the best interest of the participants of all its defined benefit plans to merge the plans and, accordingly, merged the Longview Retirement Plan and the Longview Pension Plan into the KapStone Paper and Packaging Corporation Defined Benefit Retirement Plan ("KapStone Pension Plan") effective December 31, 2014. An amended and restated Plan document representing the merger of the Longview Retirement Plan and the Longview Pension Plan into the KapStone Pension Plan provides the terms of the KapStone Pension Plan, upon and after the merger, and is effective January 1, 2015. The provisions presented herein represent the provisions of the pre-merger Longview Retirement Plan.

Until December 31, 2014, the assets of the Plan and the Longview Pension Plan were included in the Longview Fibre Paper and Packaging, Inc. Master Trust (the "Master Trust"), which was administered by Wells Fargo Bank, N.A. ("Wells Fargo") and the McDermott Trust. The McDermott Trust was 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 trust's 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").

NOTE 1 - DESCRIPTION OF THE PLAN - Continued

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.

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 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.

NOTE 1 - DESCRIPTION OF THE PLAN - Continued

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 Section 412(c)(7). As a result, the Company made no contributions to the Plan, for the years ended December 31, 2014 and 2013, 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.

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 non-vested benefits.

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

Plan Amendment
Any amendments made to the Plan in 2014 are reflected in Note 1.

Reclassifications
Certain prior year amounts within Plan assets have been expanded to conform to current year classifications.

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.

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 in 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Concentration of Credit Risk
Prior to the merger of the Plan into the KapStone Pension Plan, the Plan maintained its cash balance at Bank of America, N.A. This balance was 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.

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 Internal Revenue Code ("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 is determined by an actuary from Milliman Inc. 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The significant actuarial assumptions used in the valuations, as of January 1, 2014 and 2013, 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. Mortality follows the RP-2000 annuitant and non-annuitant mortality tables for 2014 as prescribed by the IRS. The January 1, 2014 and 2013 valuations included an expected long-term rate of return on Plan assets of 7.0% and 7.0%, respectively.

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, 2013, to reflect changes in accordance with the Pension Protection Act of 2006 ("PPA"). The effective interest rate for the January 1, 2014 valuation date of 4.26% decreased from the rate used for the January 1, 2013 valuation of 4.84%. The discount rate remained the same, at 7.00%, in both 2014 and 2013. The amount of administrative expenses expected to be paid from the Plan remained at $300,000 in 2014 and 2013.

On December 31, 2014, the Longview Pension Plan and the Longview Retirement Plan merged into the KapStone Pension Plan, resulting in a transfer of all plan assets and the assumption of all plan liabilities to the surviving plan (KapStone Pension Plan). See Note 3.

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.

NOTE 3 - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS - Continued

Accumulated plan benefits, as of January 1, 2014, the valuation date, are summarized as follows:

	2014
Actuarial present value of accumulated plan benefits:	
Vested benefits:	
Participants currently receiving payments	$ 179,381,915
Other participants	85,104,187
Total vested benefits	264,486,102
Non-vested benefits	5,420,729
Total actuarial present value of accumulated plan benefits	$ 269,906,831

The changes in accumulated plan benefits for the year ended January 1, 2014 are as follows:

	Year ended January 1, 2014
Actuarial present value of accumulated plan benefits at January 1, 2013	$ 267,666,955
Increase (decrease) during the year attributable to:	
Benefits accumulated	2,606,793
Benefits paid	(20,282,780)
Change in actuarial assumptions	478,926
Actuarial (gain)/loss	1,398,141
Reduction in discount period	18,038,796
Net increase	2,239,876
Actuarial present value of accumulated plan benefits at January 1, 2014	$ 269,906,831

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

NOTE 3 - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS - Continued

Actuarial Present Value of Accumulated Plan Benefits at Plan Merger on December 31, 2014

As outlined in Note 1, during 2014, the Company determined that it is in the best interest of the participants of all three plans to merge the plans and, accordingly, merged the Longview Retirement Plan and the Longview Pension Plan into the KapStone Pension Plan, effective December 31, 2014.

The new Plan actuary (Fidelity) has calculated an estimate of the actuarial present value of accumulated plan benefits transferred to the KapStone Pension Plan from the Longview Pension Plan and Longview Retirement Plan as of December 31, 2014 to be approximately $209,900,000 and $282,600,000, respectively.

As outlined in Note 2, the present value of accumulated plan benefits ("PVAB"), at January 1, 2014, under ASC 960 for the Longview Pension Plan and the Longview Retirement Plan were measured at 7.0% by the prior Plan actuary (Milliman). However, when the plans merged on December 31, 2014, the Company adjusted the estimated long-term rate of return on plan assets to 6.5%. The transferred PVAB reflects this change.

In addition to a change in the discount rate used to calculate the PVAB, Fidelity updated the mortality table utilized in its actuarial calculations to the RP-2014 Mortality Table using MP 2014 Projection Scale for the Longview Pension Plan PVAB and the RP-2014 Mortality Table (blue collar) using MP 2014 Projection Scale for the Longview Retirement Plan, as prescribed by the IRS.

NOTE 4 - INTEREST IN LONGVIEW FIBRE PAPER AND PACKAGING, INC. MASTER TRUST

Prior to the Plan's merger, the Plan's investments were held by the Master Trust which was established for the investment of assets of the Plan and the Pension Plan. At December 31, 2014 and 2013, the Plan's interest in the net assets of the Master Trust was approximately 0% and 45%, respectively.

NOTE 4 - INTEREST IN LONGVIEW FIBRE PAPER AND PACKAGING, INC. MASTER TRUST - Continued

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

	2014	2013
Assets:		
Investments held with Wells Fargo as trustee at fair value:		
Cash equivalents	$ –	$ 57,994,169
Common stocks	–	15,514
Equities	–	147,335,099
Fixed Income:		
Corporate bonds and notes	–	294,435,634
U.S. government securities	–	63,102,880
Mortgage backed securities	–	10,404,447
Real estate investment trust	–	24,412,415
Limited partnership interest	–	21,186,657
Total investments held by Wells Fargo	–	618,886,815
Investments held with the McDermott Trust at fair value:		
Limited partnership interests	–	5,301,266
Total investments	–	624,188,081
Other receivables	–	60,714
Cash	–	193,655
Total assets	–	624,442,450
Liabilities:		
Plan expenses payable	–	258,150
Other payables	–	60,714
Net assets available for benefits	$ –	$ 624,123,586

NOTE 4 - INTEREST IN LONGVIEW FIBRE PAPER AND PACKAGING, INC. MASTER TRUST - Continued

For the years ended December 31, 2014 and 2013, the net investment income (loss) of the Master Trust is summarized below:

	2014	2013
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments held with Wells Fargo as trustee:		
Cash equivalents	$ (120,541)	$ 38,199,173
Common stocks	5,185	23,111
Equities	15,194,329	109,765,118
Fixed income and mortgage backed securities	3,836,278	(142,591,142)
Real estate investment trust	1,138,918	705,167
Limited partnerships interest	1,333,000	155,405
Total net appreciation in fair value of investments	21,387,169	6,256,832
Net appreciation in fair value of limited partnership interest held with the McDermott Trust	(387,880)	821,249
Dividends and interest income	17,750,467	21,002,042
Net investment income	$ 38,749,756	$ 28,080,123

NOTE 5 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("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:

NOTE 5 - FAIR VALUE MEASUREMENTS - Continued

Level 1 – Level 1 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.

Level 2 – Level 2 inputs are inputs other than quoted prices included within Level 1 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 3 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, 2014 or 2013.

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

Common stocks and 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.

NOTE 5 - FAIR VALUE MEASUREMENTS - Continued

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 investments – Limited Partnership investments generally have limited liquidity and are made through long-term partnerships or joint ventures that invest in pools of capital invested in primarily non-publicly traded entities. Underlying investments include venture capital, buyout, and special situations investing. Private equity management firms typically acquire and then reorganize private companies to create increased long-term value. Valuation is based on statements received from the investment managers, transaction data, analysis of and judgments about underlying investments and other third-party information deemed reliable for the purposes of developing an estimate of fair market value.

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.

There were no investments held by the Plan as of December 31, 2014. 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:

	2013			
Asset	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash equivalents	$ 57,994,169	$ –	$ –	$ 57,994,169
Common stocks	15,514	–	–	15,514
Equities	147,335,099	–	–	147,335,099
Fixed income:	–			
Corporate bonds and notes:				
Short-term (1)	–	144,438,040	–	144,438,040
Mid-term (1)	–	136,411,690	–	136,411,690
Long-term (1)	–	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) Short-term: 0-5 year maturities | Mid-term: 5-10 year maturities | Long-term: >10 year maturities

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, 2014 and 2013.

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, 2014 and 2013.

Year ended December 31, 2014	Real Estate Investment Trust	Limited Partnership Interests	Equity Hedge Funds	Fixed Income Hedge	Total
Balance, beginning of year	$24,412,415	$26,487,923	$ -	$ -	$ 50,900,338
Transfers into Level 3	-	-	-	-	-
Transfers out of Level 3	-	-	-	-	-
Total gains or losses:					
Included in changes in net assets	2,163,199	2,421,820	(1,419,878)	(1,694,125)	1,471,016
Included in other comprehensive income	-	-	-	-	-
Purchases, issuances, sales, and settlements:					
Purchases	-	1,205,000	57,900,000	33,800,000	92,905,000
Issuances	-	-	-	-	-
Sales	(26,575,614)	(6,604,725)	-	-	(33,180,339)
Settlements	-	-	-	-	-
Transfers into KapStone Pension Plan	-	(23,510,018)	(56,480,122)	(32,105,875)	(112,096,015)
Balance, end of year	$ -	$ -	$ -	$ -	$ -
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	$ 1,401,950	$ 896,510	$ (1,419,878)	$(1,694,125)	$ 2,298,460

NOTE 5 - FAIR VALUE MEASUREMENTS - Continued

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	$ 24,412,415	$ 26,487,923	$ 50,900,338
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	$ 2,184,534	$ 920,655	$ 3,105,189

NOTE 5 - FAIR VALUE MEASUREMENTS - Continued

The following table summarizes investments measured at fair value based on net asset value ("NAV") per share as of December 31, 2014 and 2013, respectively.

Year	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
December 31, 2014				
Limited partnership interest	$ –	$ –	(a)	(a)
Real estate investment trust	$ –	N/A	(b)	(b)
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)

(a) Limited partnership investments generally have limited liquidity and are made through long-term partnerships or joint ventures that invest in pools of capital invested in primarily non-publicly traded entities. Underlying investments include venture capital, buyout, and special situations investing. Private equity management firms typically acquire and then reorganize private companies to create increased long-term value. Valuation is based on statements received from the investment managers, transaction data, analysis of and judgments about underlying investments and other third-party information deemed reliable for the purposes of developing an estimate of fair market value.

(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, 2014 and 2013, the Plan and Pension Plan have a commitment to contribute capital to nine partnership groups totaling approximately $0 and $5,471,669, 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.

NOTE 8 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 14, 2015, the date of the report of independent certified public accountants, noting no additional matters that require disclosure or adjustment to the financial statements, except as described in Note 1.