

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 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2017</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>	
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.) ☒ a single-employer plan ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>ALEXANDER LUMBER CO. RETIREMENT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>12/31/1963</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>12/31/1963</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>12/31/1963</u>					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>ALEXANDER LUMBER CO.</u> <div style="display: flex; justify-content: space-between;"> <div><u>PO BOX 831</u> <u>AURORA, IL 60507</u></div> <div><u>515 REDWOOD DRIVE</u> <u>AURORA, IL 60507</u></div> </div>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>36-0715495</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>630-844-5123</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>444190</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>36-0715495</u>	2c Plan Sponsor's telephone number <u>630-844-5123</u>	2d Business code (see instructions) <u>444190</u>	
2b Employer Identification Number (EIN) <u>36-0715495</u>					
2c Plan Sponsor's telephone number <u>630-844-5123</u>					
2d Business code (see instructions) <u>444190</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/10/2018	A1461726
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2017)
v. 170203

3a Plan administrator's name and address ☐ Same as Plan Sponsor THOMAS S ALEXANDER POBOX 831 AURORA, IL 60507	3b Administrator's EIN 36-0715495 3c Administrator's telephone number 630-844-5123 <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 441
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) 112
a(2) Total number of active participants at the end of the plan year	6a(2) 99
b Retired or separated participants receiving benefits	6b 220
c Other retired or separated participants entitled to future benefits	6c 71
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 390
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 46
f Total. Add lines 6d and 6e	6f 436
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 who 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

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

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

a Pension Schedules

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

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **A** (Insurance Information)
- (4)** ☐ **C** (Service Provider Information)
- (5)** ☐ **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 2017 Form M-1 annual report. If the plan was not required to file the 2017 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 _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2017</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

▶ 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 ALEXANDER LUMBER CO. RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF ALEXANDER LUMBER CO.	D Employer Identification Number (EIN) 36-0715495

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500
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Part I	Basic Information
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1 Enter the valuation date: Month 01 Day 01 Year 2017			
2 Assets:			
a Market value	2a	28897243	
b Actuarial value	2b	29588311	
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	267	15872340	15872340
b For terminated vested participants	62	2806130	2806130
c For active participants	113	5449580	5738851
d Total	442	24128050	24417321
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	5.88 %	
6 Target normal cost	6	278111	

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	10/10/2018	Date
MATTHEW PLOTHOW	17-07302	Most recent enrollment number
Type or print name of actuary	312-525-2500	Telephone number (including area code)
TOWERS WATSON DELAWARE, INC.		
Firm name		
233 SOUTH WACKER DRIVE, SUITE 1800 CHICAGO, IL 60606		
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)	0	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)	0	0
10 Interest on line 9 using prior year's actual return of <u>6.82</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		4921552
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 <u>6.15</u> %		302675
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		5224227
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)	0	0

Part III Funding Percentages

14 Funding target attainment percentage	14	121.17%
15 Adjusted funding target attainment percentage	15	121.17%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	109.89%
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)		18(c)

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

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

20 Quarterly contributions and liquidity shortfalls:

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

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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age.....				22 65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is 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	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	278111	
b Excess assets, if applicable, but not greater than line 31a	31b	278111	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

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

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2017 This Form is Open to Public Inspection
For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>		
A Name of plan <u>ALEXANDER LUMBER CO. RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ALEXANDER LUMBER CO.</u>	D Employer Identification Number (EIN) <u>36-0715495</u>	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	11624	673
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	727174	712090
(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)	2198038	0
(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)		
(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)	7321077	0
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	13415103	30765170

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	23673016	31477933

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	23673016	31477933
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	5260000	
(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)		5260000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	9459	
(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)	125800	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		135259
(2) Dividends:			
(A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	75209	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	8168	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		83377
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds	2b(4)(A)	63805776	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	60943725	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		2862051
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	424255	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		424255

		(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)		
(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)		97520
c Other income	2c		535074
d Total income. Add all income amounts in column (b) and enter total.....	2d		9397536

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	1590724	
(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)		1590724
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)	1895	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		1895
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1592619

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		7804917
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

☒ Yes ☐ No

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

(1) Name: PASQUESI SHEPPARD LLC

(2) EIN: 36-4049282

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

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

Part IV Compliance Questions

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

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	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		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☒ Yes ☐ No
 If "Yes," enter the amount of any plan assets that reverted to the employer this year 0.

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

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

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☒ Yes ☐ No ☐ Not determined
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4073489. (See instructions.)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2017</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017		
A Name of plan ALEXANDER LUMBER CO. RETIREMENT PLAN		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 ALEXANDER LUMBER CO.		D Employer Identification Number (EIN) 36-0715495
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions		1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s):		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☒ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month Day Year If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☒ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☐ Increase ☒ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2017 v. 170203		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a** Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%
- b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
- c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

PASQUESI
SHEPPARD LLC

ACCOUNTANTS AND CONSULTANTS

ALEXANDER LUMBER CO.
RETIREMENT PLAN

FINANCIAL STATEMENTS
DECEMBER 31, 2017 (IN LIQUIDATION)
AND 2016 (ONGOING)

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

Employer Identification Number
36-0715495

Plan No. 001

ALEXANDER LUMBER CO.

RETIREMENT PLAN

FINANCIAL STATEMENTS AND NOTES

DECEMBER 31, 2017 (IN LIQUIDATION) AND 2016 (ONGOING)

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INDEPENDENT AUDITOR'S REPORT

TO THE PLAN ADMINISTRATOR OF
ALEXANDER LUMBER CO. RETIREMENT PLAN

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of ALEXANDER LUMBER CO. RETIREMENT PLAN, which comprise the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits as of December 31, 2017 (in liquidation) and 2016 (ongoing), the related Statements of Accumulated Plan Benefits and the Statements of Changes in Accumulated Plan Benefits for the years ended December 31, 2017 (in liquidation) and 2016 (ongoing), and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Bank of America, N.A., the Trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee as of and for the years ended December 31, 2017 and 2016, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Disclaimer of Opinion

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

Emphasis of Matter – Plan Termination

As further discussed in Note 2 to the financial statements, the Board of Directors of Alexander Lumber Co. made a decision to terminate the ALEXANDER LUMBER CO. RETIREMENT PLAN, and management determined liquidation is imminent. As a result, ALEXANDER LUMBER CO. RETIREMENT PLAN has changed its basis of accounting from the ongoing basis of accounting used in presenting the 2016 financial statements to the liquidation basis of accounting used in presenting the 2017 financial statements. Our disclaimer of opinion is not modified with respect to this matter.

Other Matter

The supplemental Schedule of Assets Held at End of Year as of December 31, 2017 (in liquidation), is required by the DOL's Rules and Regulations for Reporting and Disclosure under the ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

Report on Form and Content in Compliance With DOL's Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under the ERISA.



Pasquesi Sheppard LLC
Lake Forest, IL
September 26, 2018

ALEXANDER LUMBER CO.

RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2017 (IN LIQUIDATION) AND 2016 (ONGOING)

	2017 (In Liquidation)	2016 (Ongoing)
ASSETS:		
Investments, at fair value —		
Money market funds	\$ 712,090	727,174
Corporate common stocks	-	2,198,038
Exchange traded funds	30,765,170	13,415,103
Mutual funds	-	7,321,077
Total investments	31,477,260	23,661,392
Accrued interest receivable	673	11,624
Total assets	31,477,933	23,673,016
LIABILITIES:		
Accrued expenses expected to be incurred in liquidation, net	304,595	-
Total net assets available for benefits	\$ 31,173,338	\$ 23,673,016

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

ALEXANDER LUMBER CO.

RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2017 (IN LIQUIDATION) AND 2016 (ONGOING)

	2017 (In Liquidation)	2016 (Ongoing)
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income —		
Net appreciation in fair value of investments	\$ 3,383,827	\$ 1,236,383
Interest	135,259	148,174
Dividends	588,215	453,192
Capital gain distributions and other income	30,236	100,316
Total investment income	4,137,537	1,938,065
Employer contributions	5,260,000	1,800,000
Total additions to net assets	9,397,537	3,738,065
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	1,590,724	1,554,362
Benefits paid under one-time lump-sum payment option	-	7,783,035
Administrative fees	1,896	2,890
Total deductions from net assets	1,592,620	9,340,287
NET INCREASE (DECREASE)	7,804,917	(5,602,222)
ADJUSTMENT TO LIQUIDATION BASIS	(304,595)	-
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year (ongoing)	23,673,016	29,275,238
End of year (in liquidation)	\$ 31,173,338	\$ 23,673,016

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

ALEXANDER LUMBER CO.

RETIREMENT PLAN

STATEMENTS OF ACCUMULATED PLAN BENEFITS

DECEMBER 31, 2017 (IN LIQUIDATION) AND 2016 (ONGOING)

	<u>2017</u> <u>(In Liquidation)</u>	<u>2016</u> <u>(Ongoing)</u>
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS:		
Vested accumulated benefits —		
Active employees	\$ 8,245,395	\$ 7,529,954
Participants with deferred benefits	5,362,477	4,026,788
Participants receiving benefits	<u>21,123,027</u>	<u>18,483,186</u>
 Total vested accumulated benefits	 34,730,899	 30,039,928
 Nonvested accumulated benefits	 <u>-</u>	 <u>304,270</u>
 Total actuarial present value of accumulated plan benefits	 <u>\$ 34,730,899</u>	 <u>\$ 30,344,198</u>

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

ALEXANDER LUMBER CO.

RETIREMENT PLAN

STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2017 (IN LIQUIDATION) AND 2016 (ONGOING)

ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS ON DECEMBER 31, 2015 (ONGOING)	\$ 37,991,114
Increase (decrease) during the year attributable to:	
Change in actuarial assumptions	768,915
Actuarial (gains)/losses	(992,355)
Benefits accumulated	417,024
Increase for interest due to the decrease in the discount period	1,496,898
Benefits paid	(9,337,398)
NET DECREASE	(7,646,916)
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS ON DECEMBER 31, 2016 (ONGOING)	\$ 30,344,198
Increase (decrease) during the year attributable to:	
Change in actuarial assumptions	4,490,275
Actuarial (gains)/losses	(142,700)
Benefits accumulated	404,435
Increase for interest due to the decrease in the discount period	1,225,415
Benefits paid	(1,590,724)
NET INCREASE	4,386,701
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS ON DECEMBER 31, 2017 (IN LIQUIDATION)	\$ 34,730,899

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

ALEXANDER LUMBER CO.

RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 (IN LIQUIDATION) AND 2016 (ONGOING)

(1) DESCRIPTION OF THE PLAN:

The Alexander Lumber Co. Retirement Plan (the Plan), as amended and restated, was originally established in 1963 and is a noncontributory, defined benefit retirement plan covering all eligible employees of Alexander Lumber Co. (the Company). On October 2, 2017, the Board of Directors of the Company adopted a resolution to terminate the Plan effective December 31, 2017 (effective date). See Note 2, Liquidation Basis of Accounting, for a description of the Plan's strategy for liquidation, as well as methods and significant assumptions used to measure assets and liabilities. Plan Management is responsible for oversight of the Plan, determines the appropriateness of the Plan's investments, and monitors investment performance. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions. General provisions of the Plan include the following:

General –

The Plan is a defined benefit pension plan covering certain employees of the Company. Employees must be twenty-one years of age as of the enrollment date in order to be eligible to participate in the Plan. Union employees, who are covered by the terms of a collective bargaining agreement between the Company and the Union, are not eligible. Employees of the Company hired before January 1, 2011, become eligible to participate in the Plan at the first enrollment date (the first day of January or July) following the completion of one year of service, as defined in the Plan Agreement. Employees of the Company hired on or after January 1, 2011, are not, and will not become eligible to participate in the Plan as participation was closed to employees hired on or after this date. Plan earnings are limited to \$30,000 for purposes of determining individual benefits under the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Amendment –

Effective July 1, 2016, the Plan was amended to authorize lump sum distributions to certain qualifying participants with accrued vested retirement income benefits. The amendment provides for a lump sum payment option window during which a qualifying participant may elect to receive payment or commence to receive payment of his or her vested retirement income, even if such qualifying participant has not attained the age at which he or she would otherwise be permitted to commence payment of his or her vested retirement income. The lump sum payment option window began on September 1, 2016, and expired on October 14, 2016. If a qualifying participant timely made the special benefit election, benefits commenced on November 1, 2016. The lump sum payment to a qualifying participant is the actuarial equivalent present value of the qualifying participant's vested monthly normal retirement benefit. Any lump sum payment pursuant to this amendment fully settles the Plan's liability with respect to a qualifying participant and no benefit of any type will be payable to, or on behalf of, such qualifying participant. As a result, the above amendment reduced the Plan's benefit obligation. The actuarial present value of accumulated plan benefits reflects the above amendment.

ALEXANDER LUMBER CO.

RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 (IN LIQUIDATION) AND 2016 (ONGOING)

Trustee –

Bank of America, N.A. serves as Trustee of the Plan and manages the Plan's investment assets.

Pension Benefits –

Participants generally become fully vested after five years of service, as defined by the Plan. There is no partial vesting of benefits. If employees terminate before completing five years of service, they forfeit the right to receive their accumulated benefits under the Plan. Benefits are determined according to formulas set forth in the Plan based upon earnings, subject to Internal Revenue Code (IRC) limits and years of credited service. Included in the Plan are provisions for postponed retirement after age 65, early retirement at age 60, retirement in conjunction with disability, and pre-retirement surviving spouse death benefits. The normal form of retirement benefit is a monthly annuity; however, if the actuarial equivalent of the accrued benefit does not exceed \$1,000, such benefit will be paid in a lump sum. If the actuarial equivalent of the accrued benefit exceeds \$1,000, but does not exceed \$5,000 in total expected lifetime payments, the participant may elect to have it paid in a lump sum.

Subject to the terms of the Plan and in connection with the termination of the Plan, all active participants will automatically be fully vested in their Plan benefit as of the effective date. In addition, once the Plan termination receives the required regulatory approvals, participants currently not yet eligible to commence their benefits based on the provisions outlined above will have a one-time opportunity to elect to begin payment. Active and terminated employees not yet receiving benefits from the Plan with a Plan benefit that has a lump sum value of more than \$5,000, will have the opportunity to elect to receive the value of their benefit as a single lump sum payment or as a monthly annuity, paid shortly after the election period, even if currently employed. If the lump sum payment is not elected, the benefit obligation will be transferred to a qualified insurance company and benefits will be paid out as a monthly annuity in accordance with the Plan provisions. If the Plan benefit has a lump sum value of \$5,000 or less, it will automatically be paid in the form of a single lump sum. Individuals currently receiving monthly benefits from the Plan will not have the option to receive a lump sum payout and will continue to receive benefits through the Plan until transferred to an insurance company. Following the regulatory approvals of the Plan termination, the selected insurance company will pay the monthly pension benefit.

Funding Policy –

The Plan's funding policy is for the Company to contribute an amount which will meet or exceed the annual ERISA minimum funding requirement. The Company makes contributions to the Plan as determined in accordance with accepted actuarial principles, which are based upon actuarial cost studies performed by the Plan's actuaries. The Company made contributions to the Plan of \$5,260,000 and \$1,800,000 for the years ended December 31, 2017 and 2016, respectively, although it was not required to do so.

ALEXANDER LUMBER CO.

RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 (IN LIQUIDATION) AND 2016 (ONGOING)

The Company's contributions and prior year credits applied for the Plan years ended December 31, 2017 and 2016, equaled or exceeded the minimum funding requirements of the ERISA and the Pension Protection Act of 2006. The Company intends to make such contributions to the Plan as may be necessary to make the Plan sufficient to settle all Plan liabilities.

Administration of the Plan –

The Trustee administers the Plan's assets, together with the income therefrom. Expenses incurred by the Trustee in the performance of its duties under this agreement, including fees for its services, are paid by the Company.

(2) SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting –

The accompanying financial statements of the Plan have been prepared using accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

Liquidation Basis of Accounting –

On October 2, 2017, the Board of Directors of the Company consented to, approved, and adopted a resolution to terminate the Plan effective December 31, 2017. The Plan document expressly reserves to the Company the right to do so. As of December 31, 2017 (the effective date), the Plan shall continue to be administered in accordance with the terms thereof, except that no additional pension benefits will be earned under the Plan after the effective date, as the Plan is being frozen. In addition, once the Plan termination receives the required regulatory approvals, participants currently not yet eligible to commence their benefits will have a one-time opportunity to elect to begin payment. Active employees will automatically be fully vested in their Plan benefit as of the effective date. An application for termination with the Internal Revenue Service (IRS) has been filed. Accordingly, the Plan adopted the liquidation basis of accounting since the liquidation and dissolution of the Plan is imminent.

The Plan's assets are comprised of investments in exchange-traded bond funds, as well as interest bearing treasury funds. All investments will be shifted to interest bearing cash funds at the end of 2018 in order to protect the assets from market volatility and to allow for payment of benefits. The Company has notified the Trustee of the termination and has filed such information as may be necessary with the IRS and the Pension Benefit Guaranty Corporation (PBGC) to obtain approval that the method of allocation and distribution of assets held with respect to the Plan meets all of the requirements of the IRC of 1986, as amended, and all other applicable laws and regulations. After receipt of a favorable determination letter from the IRS, the Company intends to settle all liabilities under the Plan by paying lump sums and purchasing one or more annuity contracts that constitute an irrevocable commitment from an insurer to provide all benefit liabilities under the Plan as provided under ERISA 4041. Liquidation is expected to be completed in early 2019.

ALEXANDER LUMBER CO.

RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 (IN LIQUIDATION) AND 2016 (ONGOING)

Under the liquidation basis of accounting, assets and liabilities should be measured to reflect the estimated amount of cash or other consideration expected to be collected or paid in settling or disposing of such assets or liabilities in the process of carrying out the plan of liquidation. Amounts estimated to be collected by disposing of the Plan assets approximate fair value; therefore, the Plan's assets are stated at fair value at December 31, 2017. In addition, the Plan expects to earn income on its investments and incur expenses to settle its liabilities and dispose of its assets during the liquidation. Income expected to be earned and expenses expected to be incurred have been actuarially determined and accrued through the end of the liquidation period. See **Actuarial Present Value of Accumulated Plan Benefits** below for a description of methods and significant assumptions used to measure assets and liabilities and the projected benefit obligation.

Use of Estimates –

The preparation of financial statements, in conformity with U.S. GAAP, requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment Valuation –

The Plan's investments are stated 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. Plan management determines the Plan's valuation policies utilizing information provided by its investment advisers, custodians, and Trustee. See Note 3 for a discussion of fair value measurements.

Income Recognition –

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

Actuarial Present Value of Accumulated Plan Benefits –

Accumulated Plan Benefits are those future periodic payments, including lump sum distributions, that are attributable under the Plan's provisions to the service employees have rendered. Accumulated Plan Benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. 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. Benefits payable due to Plan termination are also included in the calculation of the present value of Accumulated Plan Benefits (PVAB).

ALEXANDER LUMBER CO.

RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 (IN LIQUIDATION) AND 2016 (ONGOING)

The actuarial PVAB is determined by an independent actuary from Willis Towers Watson. The computed amount 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 between the valuation date and the expected date of payment.

As a result of the decision to terminate the Plan, the underlying projected benefit obligation (PBO) and the PVAB were modified to be measured on the settlement liability basis (liquidation basis) of accounting as of December 31, 2017. The process to estimate the settlement liability relative to the PBO is detailed below. A similar process was followed for the PVAB.

In order to measure the PBO on a settlement liability basis, certain assumptions were made regarding (1) the estimated percentage of active and terminated vested participants who will elect a lump sum payment during a special plan termination benefit election period, (2) the relationship between the lump sum payment and the underlying PBO, and (3) the relationship between the insurer pricing and the PBO. The following assumptions were used:

Estimated lump sums –

For actives and terminated vested (retirees will not be offered a lump sum option), the assumed election rates were:

	<u>Lump Sum Acceptance Rate</u>
Active participants	85%
Terminated vested participants	40%

The election percentage for the terminated vested group was determined by considering the lump sum offer that was made to terminated vesteds in 2016. At that time, approximately 70% of the participants elected a lump sum.

The interest rates for determining the lump sum are not known at this time. It has been assumed that the lump sum payments will be approximately 5% higher than the PBO for both the actives and terminated vested participants.

ALEXANDER LUMBER CO.

RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 (IN LIQUIDATION) AND 2016 (ONGOING)

Estimated Insurer Pricing –

For retirees and participants who do not elect an immediate lump sum, their liability will be transferred to an insurer. The insurer will charge a premium over the underlying PBO. The premium may reflect items such as the cost of administering the benefits, insurer profits, different mortality tables, and different interest rates. The estimated premiums to the PBO used were as follows:

	<u>Estimated Pricing Load</u>
Active participants	120%
Terminated vested participants	120%
Retirees	108%

The actual premium will vary depending on a number of factors including (1) market conditions when the annuities are purchased, (2) the demographics of the participant group, and (3) insurers willing to bid on the transaction.

In addition to the above assumptions for the Plan termination, the remaining significant actuarial assumptions used in the calculation of the PVAB by the Plan's actuary as of December 31, 2017 and 2016, the dates of the latest actuarial valuations, were (a) new employees expectancy (it was assumed there will be no new or hired employees), (b) life expectancy of participants (separate rates for non-annuitants and annuitants were used based on RP 2014 "Employees" and "Healthy Annuitants" tables), mortality improvement scale (separate tables used for males and females based on MP-2017 base scale), (c) termination expectancy (the Actuary's Pension Handbook, table T-1 was used), (d) disability expectancy (the Railroad Retirement Board, 10th Valuation Table was used), (e) retirement age assumptions (normal retirement at age 65), (f) benefit commencement date assumptions (it was assumed that preretirement death benefits would commence on the later of the death of the active participant or the date the participant would have attained age 60, deferred vested benefits and retirement benefits would commence at age 65, and disability benefits would commence upon disability), (g) form of payment assumptions (it was assumed that 45% would elect single life annuity, 40% would elect 100% joint and survivor annuity, and 15% would elect 50% joint and survivor annuity), (h) spousal age assumptions (it was assumed that 80% of employees are married and the wife is three years younger than the husband), (i) expected increases in compensation (3.00% for 2017 and 2018, 3.50% 2019 and later), (j) discount rate of 3.60% was used, and (k) return on assets of 3.70% was used. The computations of the actuarial PVAB were made as of December 31, 2017 and 2016.

ALEXANDER LUMBER CO.

RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 (IN LIQUIDATION) AND 2016 (ONGOING)

Certain changes were made in actuarial assumptions and methods from the December 31, 2016 measurement date to the December 31, 2017 measurement date. They were as follows:

- 1) The discount rate for benefit obligations was changed from 4.05% to 3.60%.
- 2) The expected return on assets was changed from 7.25% to 3.70%.
- 3) The healthy and disabled mortality projection scales were updated from the MP-2016 generational projection scale to the MP-2017 generational projection scale.
- 4) The Plan terminated as of December 31, 2017, and an estimated settlement liability load was included as of December 31, 2017.

Using the above assumptions, the Plan's underfunded status as of December 31, 2017 was \$3,252,966, based on the fair value of Plan assets of \$31,477,933 and the PVAB of \$34,730,899.

When a Plan uses the liquidation basis of accounting, the expenses that will be incurred by the Plan during the liquidation period should be properly accrued. The total benefit cost expected to be incurred by the Plan was actuarially determined as follows using the assumptions outlined above, and has been included on the Statement of Net Assets Available for Benefits in Liquidation and the Statement of Changes in Net Assets Available for Benefits in Liquidation as of December 31, 2017:

<u>Total Benefit Cost</u>	
Interest cost	\$ 1,221,396
Expected return on Plan assets	(1,134,972)
Net loss on amortization	218,171
Total benefit cost	<u><u>\$ 304,595</u></u>

Payment of Benefits -

Benefit payments to participants are recorded upon distribution.

ALEXANDER LUMBER CO.

RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 (IN LIQUIDATION) AND 2016 (ONGOING)

Administrative Expenses –

Substantially all administrative expenses of the Plan are paid by the Company. Expenses that are paid directly by the Company are excluded from these financial statements. Certain custody fees incurred by the Plan are paid by the Plan and are recorded as deductions in the accompanying Statements of Changes in Net Assets Available for Benefits. In addition, certain investment related expenses are included in net appreciation of fair value of investments presented in the accompanying Statements of Changes in Net Assets Available for Benefits.

(3) FAIR VALUE MEASUREMENTS:

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

ALEXANDER LUMBER CO.

RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 (IN LIQUIDATION) AND 2016 (ONGOING)

The following is a description of the valuation methodologies used by management for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016:

Money market funds are valued under the market approach through the use of quoted market prices in an active market.

Corporate common stocks are valued at the closing price reported on the active market on which the individual securities are traded.

Exchange traded funds are valued at the closing price reported on the active market on which the individual funds are traded.

Mutual funds held by the Plan trade actively on public market exchanges and are valued using the published market prices as of the last trading day of the year.

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

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

**2017
(in Liquidation)**

Description of Investment	Fair Value	Level 1	Level 2	Level 3
Money market funds	\$ 712,090	\$ 712,090	\$ -	\$ -
Exchange traded funds	30,765,170	30,765,170	-	-
Total investments	<u>\$ 31,477,260</u>	<u>\$ 31,477,260</u>	<u>\$ -</u>	<u>\$ -</u>

**2016
(Ongoing)**

Description of Investment	Fair Value	Level 1	Level 2	Level 3
Money market funds	\$ 727,174	\$ 727,174	\$ -	\$ -
Corporate common stocks	2,198,038	2,198,038	-	-
Exchange traded funds	13,415,103	13,415,103	-	-
Mutual funds	7,321,077	7,321,077	-	-
Total investments	<u>\$ 23,661,392</u>	<u>\$ 23,661,392</u>	<u>\$ -</u>	<u>\$ -</u>

ALEXANDER LUMBER CO.

RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 (IN LIQUIDATION) AND 2016 (ONGOING)

(4) PARTY-IN-INTEREST TRANSACTIONS:

Certain portions of the Plan's investments are shares of funds managed by the Trustee. Therefore, these transactions qualify as party-in-interest transactions.

(5) SUMMARY OF INFORMATION CERTIFIED BY THE TRUSTEE:

The December 31, 2017 (in Liquidation) and 2016 (Ongoing), Statements of Net Assets Available for Benefits, the investment activities included on the Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2017 (in Liquidation) and 2016 (Ongoing), and the accompanying notes to the financial statements were prepared in part or entirely from information certified by the Trustee in accordance with 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under the ERISA. The table below summarizes the information that has been prepared and certified to as complete and accurate by the Trustee as of December 31:

	<u>2017</u> <u>(in Liquidation)</u>	<u>2016</u> <u>(Ongoing)</u>
Investments, at fair value —		
Mutual funds	\$ -	\$ 7,321,077
Money market fund	712,090	727,174
Corporate common stocks	-	2,198,038
Exchange traded funds	<u>30,765,170</u>	<u>13,415,103</u>
Total investments	<u>31,477,260</u>	<u>23,661,392</u>
Accrued interest receivable	<u>673</u>	<u>11,624</u>
Total assets certified by the Trustee	<u><u>\$ 31,477,933</u></u>	<u><u>\$ 23,673,016</u></u>
Investment income —		
Net appreciation in value of investments	\$ 3,383,827	\$ 1,236,383
Interest	135,259	148,174
Dividends	588,215	453,192
Capital gain distributions and other income	<u>30,236</u>	<u>100,316</u>
Total investment income certified by the Trustee	<u><u>\$ 4,137,537</u></u>	<u><u>\$ 1,938,065</u></u>

ALEXANDER LUMBER CO.

RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 (IN LIQUIDATION) AND 2016 (ONGOING)

(6) PLAN TERMINATION:

The Plan Sponsor froze the accrued benefits and terminated the Plan as of December 31, 2017. Therefore, the accrued benefits of each participant became fully vested to the extent then funded, and the net assets of the Plan will be allocated, as prescribed by the terms and provisions of the Plan in accordance with the ERISA and its regulations, generally, to provide the following benefits in the order indicated, subject to any required approval of the IRS and the PBGC:

- 1) Benefits attributable to employee contributions, if any, taking into account those paid out before termination;
- 2) Annuity benefits 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 (a U.S. government agency), up to the applicable limitations (discussed below);
- 4) All other vested benefits (that is, vested benefits not insured by the PBGC);
- 5) All non-vested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. 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, a statutory ceiling exists, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees.

Whether all participants receive their benefits upon Plan termination 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 benefit guaranteed by the PBGC.

The Company intends to make such contributions to the Plan as may be necessary to make the Plan sufficient to settle all Plan liabilities. See Note 2, Liquidation Basis of Accounting, for a description of the Plan's strategy for liquidation.

ALEXANDER LUMBER CO.

RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 (IN LIQUIDATION) AND 2016 (ONGOING)

(7) TAX STATUS:

The Plan obtained its latest determination letter on January 14, 2003, in which the IRS stated that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan was qualified and the related trust was tax-exempt as of December 31, 2017 and 2016.

U.S. GAAP require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that, more likely than not, would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2017 and 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2014.

The Plan filed Form 5310, Application for Determination for Terminating Plans, with the IRS on November 6, 2017. Approval is pending. A Notice to Interested Parties and a Notice of Intent to Terminate was provided to participants in advance of this filing. A Notice of Plan Benefits was distributed to all participants on June 1, 2018, to provide information about the estimated value of accrued benefits under the Plan as of the Plan termination date. All other regulatory filings have been timely made. PBGC Form 500, Standard Termination Notice Single-Employer Plan Termination, was filed with the PBGC on June 13, 2018.

(8) RISKS AND UNCERTAINTIES:

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

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

ALEXANDER LUMBER CO.

RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 (IN LIQUIDATON) AND 2016 (ONGOING)

(9) RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500:

The following is a reconciliation of the net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2017. A reconciliation for the year ended December 31, 2016, was not necessary:

Net assets available for benefit per the financial statements	\$ 31,173,338
Adjustment to liquidation basis of accounting	<u>304,595</u>
Net assets available for benefits per the Form 5500	<u>\$ 31,477,933</u>

(10) SUBSEQUENT EVENTS:

The Plan has evaluated subsequent events through the report date, the date the financial statements were available to be issued. See Note 6 for discussion of Plan termination.

ALEXANDER LUMBER CO.

RETIREMENT PLAN

SCHEDULE I – SCHEDULE OF ASSETS HELD AT END OF YEAR

DECEMBER 31, 2017 (IN LIQUIDATION)

FEIN 36-0715495 – Plan Number 001

Schedule H, Line 4i (Form 5500)

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	Fidelity Treasury Only Institutional Fund	Money market fund	\$ 712,090	\$ 712,090
	Vanguard Long-Term Corp Bond ETF	Exchange traded fund	21,293,707	21,753,251
	Vanguard Intermediate-Term Corp Bond ETF	Exchange traded fund	9,047,208	9,011,919
			<u>\$ 31,053,005</u>	<u>\$ 31,477,260</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Plan Provisions

Effective Date	Amended and restated December 31, 2017.
Covered employees	All eligible employees as defined in the plan document
Participation date	January 1 or July 1 coincident with or next following on the later of: <ul style="list-style-type: none">a. Attainment of age 21b. The completion of a year of service

Definitions

Year of Service	The completion of 1,000 hours of service during a twelve-consecutive month period following date of employment
Vesting service	One year for each 1,000-hour calendar year of employment by Alexander Lumber Company
Covered Earnings	All amounts earned by a Participant during a plan year, including elective deferrals under IRC 401(k) and Section 125, limited to IRC 401(a)(17)
Normal retirement date (NRD)	First of month coinciding with or next following the attainment of age 65
Disability Retirement Date	Date on which a participant elects to retire, or is retired by Alexander Lumber Company, in order to receive disability retirement benefits
Monthly pension benefit	One-twelfth of 1.5% of each plan year's covered earnings while a participant of the plan from January 1, 1989, plus the accrued benefits as of December 31, 1988. Beginning January 1, 2011, covered earnings are capped at \$30,000 for purposes of calculating annual accruals. Benefit accruals are frozen as of December 31, 2017.
Monthly preretirement death benefit	100% of the monthly pension benefit as of the date of death, reduced for the 100% joint and survivor election and reduced for payment as early as the employees Early Retirement Date

Plan Name:	Alexander Lumber Company Retirement Plan
EIN / PN:	36-0715495/001
Plan Sponsor:	Alexander Lumber Company
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

Eligibility for Benefits

Normal retirement	Retirement on NRD
Early retirement	Retirement before NRD and on or after both attaining age 60 and completing five years of vesting service
Postponed retirement	Retirement after NRD
Vested termination	Termination for reasons other than death or retirement after completing five years of vesting service
Disability	Permanent and total disability prior to NRD after five years of vesting service, and participant is receiving a Social Security disability benefit
Preretirement death benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse

Benefits Paid Upon the Following Events

Normal retirement	Monthly pension benefit determined as of NRD
Early retirement	Monthly pension benefit determined as of the early retirement date, reduced 6.67% for each year of payment before NRD
Postponed retirement	Monthly pension benefit determined as of the actual retirement date
Vested termination	Monthly pension benefit determined as of the termination date
Disablement	Monthly pension benefit determined as of the date of the disablement, payable immediately without reduction for each year that commencement precedes NRD
Preretirement death	Monthly preretirement spouse benefit determined as of the participant's date of death.

Plan Name:	Alexander Lumber Company Retirement Plan
EIN / PN:	36-0715495/001
Plan Sponsor:	Alexander Lumber Company
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

Other Plan Provisions

Forms of payment	<p>Preretirement death benefits are payable only as described above. Monthly pension benefits are paid as described above, if the participant has no spouse as of the date payments commence, or if the participant so elects. Otherwise, they will be paid in the form of a 100% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 50% joint and survivor annuity, or (for married participants) a life annuity.</p> <p>Optional forms of payment are actuarially equivalent to a single life annuity. Actuarial equivalence, as defined by the plan, uses 7% interest, compounded annually, and uses the 1983 Group Annuity Mortality Table adjusted to a unisex basis by assuming a 75% male / 25% female gender mix.</p>
Pension Increases	None
Plan participants' contributions	None
Maximum on benefits and pay	<p>All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.</p>

Future Plan Changes

No future plan changes were recognized in determining minimum and maximum contributions.

Changes in Benefits Valued Since Prior Year

Changes in current-year increases in the Internal Revenue Code for maximums on benefits and pay were updated, as necessary.

In conjunction with the plan termination, benefit accruals were frozen as of December 31, 2017.

Plan Name:	Alexander Lumber Company Retirement Plan
EIN / PN:	36-0715495/001
Plan Sponsor:	Alexander Lumber Company
Valuation Date	January 1, 2017

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ALEXANDER LUMBER CO.

RETIREMENT PLAN

SCHEDULE I — SCHEDULE OF ASSETS HELD AT END OF YEAR

DECEMBER 31, 2017 (IN LIQUIDATION)

FEIN 36-0715495 — Plan Number 001

Schedule H, Line 4f (Form 5500)

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	Fidelity Treasury Only Institutional Fund	Money market fund	\$ 712,090	\$ 712,090
	Vanguard Long-Term Corp Bond ETF	Exchange traded fund	21,293,707	21,753,251
	Vanguard Intermediate-Term Corp Bond ETF	Exchange traded fund	9,047,208	9,011,919
			<u>\$ 31,053,005</u>	<u>\$ 31,477,260</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26 Schedule of Active Participant Data as of January 1, 2017

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		0		0		0		0		0		0		0		0		0	
25 - 29	0		0		0		0		0		0		0		0		0		0	
30 - 34	0		0		6		1		0		0		0		0		0		0	
35 - 39	0		0		2		1		3		0		0		0		0		0	
40 - 44	0		0		6		1		3		2		0		0		0		0	
45 - 49	0		0		7		1		2		1		2		0		0		0	
50 - 54	0		1		9		2		0		1		1		1		0		0	
55 - 59	1		0		10		7		3		3		4		7		0		0	
60 - 64	0		0		7		2		1		2		1		1		2		3	
65 - 69	0		0		3		0		0		0		0		0		0		1	
70 & Over	0		0		1		0		0		0		0		0		0		1	

Plan Name: Alexander Lumber Company Retirement Plan
 EIN / PN: 36-0715495/001
 Plan Sponsor: Alexander Lumber Company
 Valuation Date: January 1, 2017

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

Applicable month	September 2016
Interest rate basis	3-Segment Rates

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
First segment rate	4.16%	1.52%
Second segment rate	5.72%	3.80%
Third segment rate	6.48%	4.79%
Effective interest rate	5.88%	4.09%

Annual rates of increase:

Compensation:

Select and ultimate rates	2017:	3.00%
	2018:	3.00%
	2019+:	3.50%

Future Social Security wage bases	3.00%
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Statutory limits on compensation	N/A
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Administrative expenses:

None

Plan Name: Alexander Lumber Company Retirement Plan
EIN / PN: 36-0715495/001
Plan Sponsor: Alexander Lumber Company
Valuation Date: January 1, 2017

SCHEDULE SB ATTACHMENTS

Demographic Assumptions

Inclusion date	The valuation date coincident with or next following the date on which the employee begins to earn (credited/benefit/vesting) service.
New or rehired employees	It was assumed there will be no new or rehired employees.
Mortality:	
Healthy	Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2032 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2024 using Scale AA).
Disabled	Alternative disabled life mortality tables as defined under Revenue Ruling 96-7.
Termination	Actuary's Pension Handbook, Table T-1: Rates varying by age and gender

Representative Termination Rates

Percentage leaving during the year		
Attained Age	Males	Females
20	0.055	0.055
25	0.050	0.050
30	0.038	0.038
35	0.025	0.025
40	0.013	0.013
45	0.006	0.006
50	0.006	0.006
55	0.010	0.010

Plan Name:	Alexander Lumber Company Retirement Plan
EIN / PN:	36-0715495/001
Plan Sponsor:	Alexander Lumber Company
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

Disability Railroad Retirement Board, 10th Valuation

The rates at which participants become disabled by age and gender are as follows:

Percentage becoming disabled during the year		
Age	Males	Females
40	0.001	0.001
45	0.002	0.002
50	0.005	0.005
55	0.011	0.011
60	0.029	0.029
65	0.000	0.000

Retirement Age 65

**Benefit
commencement date:**

Preretirement death benefit The later of the death of the active participant or the date the participant would have attained age 60

Deferred vested benefit Age 65

Disability benefit Upon disablement

Retirement benefit Age 65

Form of payment 45% elect Single Life annuity
40% elect 100% Joint and Survivor annuity
15% elect 50% Joint and Survivor annuity

Percent married 80%

Spouse age Wife three years younger than husband

Plan Name: Alexander Lumber Company Retirement Plan
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Valuation Date: January 1, 2017

SCHEDULE SB ATTACHMENTS

Covered pay	Assumed plan compensation for the year beginning on the valuation date was determined as reported 2016 covered pay increased by the salary scale.
Loads	None.
At-risk assumptions	For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year, except in accordance with the regular valuation assumptions. In addition, all participants (not just those eligible to begin benefits within the next 11 years) are assumed to elect the most valuable form of benefit under the plan, which is usually the lump sum form of payment.
Timing of benefit payments	Annuity payments are payable monthly at the beginning of the month.

Methods

Valuation date	First day of plan year
Funding target and Target normal cost	Unit Credit
Actuarial value of assets	<p>Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22) . The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2016 plan year.)</p> <p>The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.</p>
Benefits not valued	All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with Alexander Lumber Company and, based on that review, is not aware of any significant benefits required to be valued that were not.

Plan Name:	Alexander Lumber Company Retirement Plan
EIN / PN:	36-0715495/001
Plan Sponsor:	Alexander Lumber Company
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

Sources of Data and Other Information

The plan sponsor furnished participant data as of 1/1/2017. Information on assets, contributions and plan provisions was supplied by the plan sponsor. Data and other information were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates for missing or incomplete data were not needed and there were no significant events that occurred between the date the data was collected and the measurement date. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Assumptions Rationale - Significant Economic Assumptions

Discount rate for funding purposes	The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.
Expected return on plan assets	We understand the expected return on assets assumption is based on the plan sponsor's estimate of future experience for trust asset returns, reflecting the plan's current asset allocation, any expected changes during the current plan year, current market conditions, and the plan sponsor's expectations for future market conditions.

Assumptions Rationale - Significant Demographic Assumptions

Healthy and Disabled Mortality for funding purposes	Assumptions used for funding purposes are as prescribed by IRC §430(h).
Termination	Termination rates are based on plan design, expected participant behavior and published tables for pension participants believed to have reasonably similar characteristics to the plan population. The termination rates vary by age.
Disability	Disability rates are based on plan design, expected participant experience and published tables for pension participants believed to have reasonably similar characteristics participating in pension plans with similar disability provisions. The disability rates vary by age.
Retirement	Retirement rates are set based on plan design, expected participant behavior and plan sponsor expectations for the future.
Form of payment	The assumed form of payments are based on plan design, expected participant behavior and plan sponsor expectations for the future.

Plan Name:	Alexander Lumber Company Retirement Plan
EIN / PN:	36-0715495/001
Plan Sponsor:	Alexander Lumber Company
Valuation Date	January 1, 2017

SCHEDULE SB ATTACHMENTS

Source of Prescribed Methods

Funding Methods The methods used for funding purposes as described in Appendix A, including the method of determining plan assets are “prescribed methods set by law”, as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.

Changes in Assumptions and Methods

Changes in assumptions since prior valuation for funding purposes The segment interest rates used to calculate the funding target and target normal cost were updated from an applicable month of September 2015 to September 2016 with the interest rate corridors of HATFA applied.

 The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.

 The salary increase assumption was changed from 3.50% for 2016 and later to 3.00% for 2017 and 2018 and 3.50% for 2019 and later

Plan Name: Alexander Lumber Company Retirement Plan
EIN / PN: 36-0715495/001
Plan Sponsor: Alexander Lumber Company
Valuation Date January 1, 2017

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 24 Change in Actuarial Assumptions

Changes in Assumptions and Methods

**Changes in
assumptions since
prior valuation for
funding purposes**

The salary increase assumption was changed from 3.50% for 2016 and later to 3.00% for 2017 and 2018 and 3.50% for 2019 and later.

Plan Name: Alexander Lumber Company Retirement Plan
EIN / PN: 36-0715495/001
Plan Sponsor: Alexander Lumber Company
Valuation Date: January 1, 2017

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Alexander Lumber Company
EIN/PN	36-0715495/001
Plan Name	Alexander Lumber Company Retirement Plan
Valuation Date	January 1, 2017
Enrolled Actuary	Matthew Plothow
Enrollment Number	17-07302

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2017

See Schedule SB, Part V – Statement of Actuarial Assumptions/Methods for retirement rates. The valuation assumption for the Alexander Lumber Co. Retirement Plan is that all active participants will retire upon reaching age 65. If a participant is currently older than age 65 as of the valuation date, he is assumed to retire immediately. Therefore, since the overwhelming majority of plan participants are currently under age 65, the average retirement age is assumed to be at age 65.

Plan Name:	Alexander Lumber Company Retirement Plan
EIN / PN:	36-0715495/001
Plan Sponsor:	Alexander Lumber Company
Valuation Date	January 1, 2017

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 <div style="border: 1px solid black; padding: 5px; text-align: center; font-weight: bold;">2017</div> This Form is Open to Public Inspection
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For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

▶ **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 ALEXANDER LUMBER CO. RETIREMENT PLAN	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">B Three-digit plan number (PN) ▶</td> <td style="width: 30%; text-align: center;">001</td> </tr> </table>	B Three-digit plan number (PN) ▶	001
B Three-digit plan number (PN) ▶	001		
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF ALEXANDER LUMBER CO.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">D Employer Identification Number (EIN) 36-0715495</td> </tr> </table>	D Employer Identification Number (EIN) 36-0715495	
D Employer Identification Number (EIN) 36-0715495			
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500			

Part I Basic Information

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2017</u>			
2 Assets:			
a Market value	2a	28,897,243	
b Actuarial value	2b	29,588,311	
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	267	15,872,340	15,872,340
b For terminated vested participants	62	2,806,130	2,806,130
c For active participants	113	5,449,580	5,738,851
d Total	442	24,128,050	24,417,321
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	5.88 %	
6 Target normal cost	6	278,111	

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.

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center; font-weight: bold;">SIGN HERE</td> <td style="width: 90%;"> <div style="font-family: cursive; font-size: 1.2em;">MATTHEW PLOTHOW MP</div> </td> </tr> <tr> <td colspan="2" style="text-align: center;">Signature of actuary</td> </tr> </table>	SIGN HERE	<div style="font-family: cursive; font-size: 1.2em;">MATTHEW PLOTHOW MP</div>	Signature of actuary		<div style="text-align: right;">10/09/2018</div> <div style="text-align: center;">Date</div> <div style="text-align: right;">17-07302</div> <div style="text-align: center;">Most recent enrollment number</div> <div style="text-align: right;">312-525-2500</div> <div style="text-align: center;">Telephone number (including area code)</div>
SIGN HERE	<div style="font-family: cursive; font-size: 1.2em;">MATTHEW PLOTHOW MP</div>				
Signature of actuary					
MATTHEW PLOTHOW Type or print name of actuary TOWERS WATSON DELAWARE, INC. Firm name 233 SOUTH WACKER DRIVE, SUITE 1800 CHICAGO IL 60606 Address of the firm					

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

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

Schedule SB (Form 5500) 2017
v. 170203