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).

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

OMB Nos. 1210-0110
1210-0089

2017

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

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.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
BLUEWATER CONSTRUCTORS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1997

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)

BLUEWATER CONSTRUCTORS, INC.

5337 DOW ROAD
HOUSTON, TX 77040-6101

2b Employer Identification Number (EIN)
74-1907870

2c Plan Sponsor's telephone number
713-462-8525

2d Business code (see instructions)
238900

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.	10/11/2018	ROBERT CARNETT
	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

3a Plan administrator's name and address ☐ Same as Plan Sponsor

BLUEWATER CONSTRUCTORS, INC.

5337 DOW ROAD
HOUSTON, TX 77040-6101

3b Administrator's EIN: 74-1907870

3c Administrator's telephone number: 713-462-8525

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**	236
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)**	144
a(2) Total number of active participants at the end of the plan year	**6a(2)**	111
b Retired or separated participants receiving benefits	**6b**	0
c Other retired or separated participants entitled to future benefits	**6c**	119
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	230
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f Total. Add lines **6d** and **6e**.	**6f**	230
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	229
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	43
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:

2O 2Q 3I

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

9a Plan funding arrangement (check all that apply)

(1)	☐	Insurance
(2)	☐	Code section 412(e)(3) insurance contracts
(3)	☒	Trust
(4)	☐	General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	☐	Insurance
(2)	☐	Code section 412(e)(3) insurance contracts
(3)	☒	Trust
(4)	☐	General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

(1)	☒		**H** (Financial Information)
(2)	☐		**I** (Financial Information – Small Plan)
(3)	☐	0	**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_____

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2017** **This Form is Open to Public Inspection.**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan
BLUEWATER CONSTRUCTORS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BLUEWATER CONSTRUCTORS, INC.

D Employer Identification Number (EIN)
74-1907870

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

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

MELTON & MELTON, LLP

6002 ROGERDALE, SUITE 200
HOUSTON, TX 77072

74-1550819

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	28000	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

LINCOLN INVESTMENT PLANNING LLC

601 OFFICE CENTER DRIVE
FORT WASHINGTON, PA 19034

23-1702591

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	20834	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

CHAMBERLAIN,HRDLICKA,WHITE,WILLIAMS

1200 SMITH STREET
HOUSTON, TX 77002-4496

74-1541761

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29	NONE	870	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2017

This Form is Open to Public Inspection

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan
BLUEWATER CONSTRUCTORS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BLUEWATER CONSTRUCTORS, INC.

D Employer Identification Number (EIN)
74-1907870

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	71443	79144
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1820990	1445987
(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)	452842	535524
(5) Partnership/joint venture interests	1c(5)	143223	126878
(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)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	1708222	1915232

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	11288280	18851040
	(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	15485000	22953805
	Liabilities			
g	Benefit claims payable	1g	47375	0
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	47375	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	15437625	22953805

Part II Income and Expense Statement

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

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)		
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		0
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1615	
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		1615
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)	654545	
	(B) Common stock	2b(2)(B)	73797	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		728342
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)	7562760	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		7562760

		(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)		143793
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		8436510
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	870564	
(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)		870564
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)	28870	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	20834	
(4) Other	2i(4)	62	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		49766
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		920330
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		7516180
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) [X] Unqualified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: MELTON & MELTON, LLP **(2)** EIN: 74-1550819

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		1000000
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			

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 _____.

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_____. (See instructions.)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under 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).

▶ **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 01/01/2017 and ending 12/31/2017

A Name of plan
BLUEWATER CONSTRUCTORS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BLUEWATER CONSTRUCTORS, INC.

D Employer Identification Number (EIN)
74-1907870

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 74-1907870

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**

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): _____

---

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: 0.0% 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):

BLUEWATER CONSTRUCTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

FINANCIAL STATEMENTS

AND SUPPLEMENTAL SCHEDULE

AS OF

DECEMBER 31, 2017 AND 2016

AND INDEPENDENT AUDITOR'S REPORT

MELTON & MELTON, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

BLUEWATER CONSTRUCTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

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MELTON & MELTON, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Administrative Committee of
Bluewater Constructors, Inc. Employee Stock Ownership Plan and Trust

Report on the Financial Statements

We have audited the accompanying financial statements of Bluewater Constructors, Inc. Employee Stock Ownership Plan and Trust (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, and the related statement of changes in net assets available for benefits for the year ended December 31, 2017, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2017 and 2016, and the changes in its net assets available for benefits for the year ended December 31, 2017, in accordance with accounting principles generally accepted in the United States of America.

6002 Rogerdale, Ste. 200 Houston, Texas 77072 Tel 281-759-1120 Fax 281-759-5500

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule H, line 4i - schedule of assets (held at end of year) as of December 31, 2017 is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Malt & Malt, L.L.P.

Houston, Texas
September 18, 2018

BLUEWATER CONSTRUCTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2017 and 2016

	2017	2016
Investments, at fair value:		
Bluewater Constructors, Inc. - common stock	$ 18,851,040	$ 11,288,280
Common stocks	535,524	452,842
Exchange-traded funds	1,915,232	1,708,222
Limited partnership	126,878	143,223
Interest-bearing cash	1,445,987	1,820,990
Total investments, at fair value	22,874,661	15,413,557
Noninterest-Bearing Cash	79,144	71,443
Net assets available for benefits	**$ 22,953,805**	**$ 15,485,000**

(See accompanying notes to financial statements)

BLUEWATER CONSTRUCTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended December 31, 2017

Additions to Net Assets Attributable to:	
Investment income:	
Interest and dividend income	$ 66,096
S corporation distribution income	654,545
Net appreciation in fair value of investments	7,715,869
	8,436,510
Deductions from Net Assets Attributable to:	
Benefits paid to participants	917,939
Administrative expenses	49,766
	967,705
Change in Net Assets Available for Benefits	7,468,805
Net Assets Available for Benefits at:	
Beginning of year	15,485,000
End of year	**$ 22,953,805**

(See accompanying notes to financial statements)

BLUEWATER CONSTRUCTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 1 - DESCRIPTION OF THE PLAN

Bluewater Constructors, Inc. (the "Company") established the Bluewater Constructors, Inc. Employee Stock Ownership Plan and Trust (the "Plan") effective January 1, 1997. The Company became an S corporation effective January 1, 2007. The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Participating employers in the Plan include the Company, any signatory company, or any affiliated company and shall include all trades and businesses, whether or not incorporated, which are either a controlled group, as determined by the Internal Revenue Code (IRC), an affiliated service group, as determined by the IRC, or any other entity required to be aggregated pursuant to the regulations under the IRC. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligibility

The Plan is a defined contribution plan covering all employees of the Company, except those who are treated by the Company as independent contractors, self-employed, and employees who are nonresident aliens deriving no earned income from sources within the United States. Employees are eligible to participate on the first day of January or July coinciding with, or next following, the completion of one year of service.

Participant Accounts

Participants cannot contribute to the Plan. The Company may make a discretionary contribution. Participants are eligible to share in the employer's contribution in each plan year in which they have completed 1,000 hours of service and are employed on the last day of the plan year. Employer contributions are allocated to each eligible participant based on the relation of the participant's eligible compensation to total eligible compensation for the year subject to certain limitations. Separate accounts are maintained for each participant, which include an employer stock account and other investment account. Except for stock and cash distributions attributable to employer stock in the participant's employer stock account, earnings and expenses are allocated to each participant based on the relation of the participant's account balance to total account balances of all participants as of the beginning of the plan year. Stock and cash distributions on shares of employer stock shall be credited to each participant's employer stock account. Stock and cash distributions on unallocated employer stock shall be credited to each participant's employer stock account in the proportion that the combined total amount of the participant's employer stock account and other investment account bears to the combined total amount of all participant employer stock accounts and other investment accounts as of the first day of the plan year during which such distributions were received by the Plan. The Company did not make a discretionary contribution during 2017.

NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

Life Insurance Policies

The Plan may purchase key man life insurance on the life or lives of key employees of the Company as insurance against the loss in value to the Company from the death of a key employee. Premium payments are to be allocated to participants on the last day of the plan year in which such payments are made in the same ratio as employer contributions. Proceeds received on any life insurance policy shall be allocated among the participants in the ratio in which the total premium payments for that policy for each participant bears to the total premium payments for that policy in the plan year in which such proceeds are received. At December 31, 2017 and 2016, the Plan had not purchased any insurance policies.

Payment of Benefits

No distributions will be made until a participant retires (normal retirement age under the Plan is 65), dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representatives), becomes totally and permanently disabled, or otherwise terminates employment with the Company. Beginning at age 55, for each participant who has at least 10 years of participation in the Plan, the participant may elect to receive a partial cash withdrawal of 25% of the participant's account in the Plan. If the participant continues to participate in the Plan for five more years, this cash withdrawal right increases and applies to 50% of the value of the participant's account in the Plan.

The Company is currently an S corporation. If at the time of a distribution the Company is still an S corporation, the distribution will generally be made in cash paid to the participant and not in shares of Company stock.

If at the time of a distribution the Company is no longer an S corporation, and a participant receives a distribution of shares of Company stock, the participant may for a limited time period sell the shares to the Company. If this option is exercised, the Company will pay the participant a cash amount equal to the most recent appraisal value of shares sold to the Company.

Distributions of a participant's vested account will take place 60 days after the amount of the distribution can be ascertained following the end of the plan year in which the participant retires, dies, or becomes totally and permanently disabled. For termination of a participant's employment other than death, total and permanent disability, or normal retirement age, the distribution will usually commence during the sixth plan year following the plan year in which the participant terminated employment. Distributions are made in five annual installments plus one additional year for each $160,000 in the participant's account balance over $800,000, not to exceed an additional five years. The Plan allows for immediate distribution to participants with vested balances of $150,000 or less upon termination of employment, as defined in the Plan.

NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

Vesting

If a participant's employment with the Company ends for any reason other than retirement, death, or disability, he or she will vest in the balance in his or her account based on total years of service with the Company. Participants vest 20% upon completion of the first two years of service and 20% a year thereafter. Upon completion of six years of service, a participant is fully vested. Participants who end employment as a result of retirement, death, or permanent disability become fully vested.

Forfeitures in any year are to be allocated to the participants on the same basis as the Company contributions. At December 31, 2017 and 2016, there was no forfeitures balance. Forfeitures of $17,510 were allocated to the participants in 2017.

Voting Rights

Participants may direct the trustees as to the voting rights of the Company stock to vote on a per share basis on corporate matters that relate to a merger, reorganization, liquidation, sale of substantially all assets of the Company, or such similar matters as prescribed by regulations. Participants shall be notified by the Company prior to such times that such rights are to be exercised. The trustees of the Plan shall have the right to vote Company stock in all cases where participants fail to give voting instructions and when voting rights do not apply. The trustees of the Plan must vote unallocated shares in the same proportion as the votes of participants with allocated shares.

Put Option

Under Federal income tax regulations, the Company stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair value of the stock on the most recent valuation date prior to the date the option is exercised. The Company can pay for the purchase with interest over a period not to exceed five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Plan Termination

Although it has not expressed any intent to do so, the Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination, all participants will become 100% vested and the interest of each participant in the Plan will be distributed to such participant or beneficiary at the time prescribed by the Plan.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounting records of the Plan are maintained on the accrual basis of accounting.

Investment Valuation and Income Recognition

Investments are reported at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussions of fair value measurements. Distribution income is accrued in the year declared. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis. Net appreciation in fair value of investments includes gains and losses on investments bought and sold, as well as held during the year.

Administrative Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from the financial statements. Administrative expenses include bank fees, legal fees, and audit fees. Other investment-related expenses are included in net appreciation in fair value of investments.

Benefits Paid to Participants

Benefits are recorded when distributed.

Federal Income Taxes

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated August 5, 2016, that the Plan and related trust are designed in accordance with applicable sections of the IRC. The plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan to determine 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. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recent Accounting Pronouncements

Adopted:

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-07, *Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)*. ASU 2015-07 removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value (NAV) per share practical expedient. The new guidance will be applied retrospectively for fiscal years ending after December 15, 2016. Plan management elected in 2017 to adopt ASU 2015-07 on a retrospective basis to all periods presented. The adoption of ASU 2015-07 did not have an impact on net assets available for benefits.

Pending:

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement* (Topic 820), *Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. ASU 2018-13 modifies the disclosure requirements on fair value measurements in Topic 820. The guidance is effective for annual reporting periods beginning after December 15, 2019. Early adoption is permitted. Plan management is currently evaluating the impact ASU 2018-13 will have on the Plan's financial statements.

NOTE 3 - ADMINISTRATION OF PLAN ASSETS

The Plan is administered by an Administrative Committee, which is appointed by the Board of Directors of the Company. The Plan's trustees are an officer and employees of the Company. For 2017 and 2016, Alliance Benefit Group provided third-party administration and record keeping to the Plan.

Company contributions are held and managed by the trustees, who invest cash received, interest, dividend, and distribution income and make distributions to participants.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses for the trustees are paid directly by the Company.

NOTE 4 - FAIR VALUE MEASUREMENTS

Various inputs are used in determining the fair value of the Plan's investments. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy, including the types of Plan investments that fall under each category and the valuation methodologies used to measure fair value, are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Interest-bearing cash: Valued at cost, which approximates fair value.

Common stocks and exchange-traded funds: Valued at the last reported quoted price in an active market.

Level 2 - Inputs to the valuation methodology are other than quoted market prices in active markets that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices that are in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable inputs (i.e., projections, estimates, interpretations, etc.) that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Bluewater Constructors, Inc. - common stock: Valued at fair value as determined by an annual independent appraisal based on a combination of public market multiples, private control sales multiples, and capitalization of earnings methods for 2017 and 2016. Fair value per share of the common stock was $8,268 and $4,951 at December 31, 2017 and 2016, respectively. Annually, the trustees assess and approve the fair value measurement policies and procedures. At least annually, management determines if the current valuation techniques used in the fair value measurements are still appropriate and evaluates and adjusts the unobservable inputs used in the fair value measurements based on current market conditions and third-party information.

Investments measured using the NAV practical expedient are described below:

Limited partnership: Valued at the net equity value of the limited partnership's (PMF TEI Fund, L.P.) net assets as determined by the limited partnership as a practical expedient to determine fair value. The limited partnership's focus is to manage a portfolio of investment funds and cash to preserve value that serves as a feeder fund for The Endowment PMF Master Fund, L.P. (Master Fund). The Master Fund invests its assets in a variety of investment vehicles including but not limited to limited partnerships, limited liability companies, offshore corporations and other foreign investment vehicles, registered investment companies, and direct investments in marketable securities and derivative instruments. The investment objective is to manage a portfolio of investment funds and cash to preserve value while prioritizing liquidity to investors over active

NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

management, until such time as the Master Fund has been liquidated. The Plan has no unfunded commitments for this investment. The Plan has no right to require the PMF TEI Fund, L.P. to redeem the limited partnership interest. Liquidation of the investment can only result from the repurchase by the PMF TEI Fund, L.P. Regular repurchases are being made quarterly based on the Master Fund's excess cash.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The inputs and methodologies used for valuing securities are not an indication of the risk associated with investing in those securities. There have been no changes in the methodologies used at December 31, 2017 or 2016.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2017 and 2016:

	December 31, 2017			
Description	Level 1	Level 2	Level 3	Total
Interest-Bearing Cash	$1,445,987			$ 1,445,987
Exchange-Traded Funds	1,915,232			1,915,232
Common Stocks	535,524			535,524
Bluewater Constructors, Inc. - Common Stock			$18,851,040	18,851,040
Investments measured at net asset value (a)				126,878
Total investments at fair value	$3,896,743		$18,851,040	$22,874,661

	December 31, 2016			
Description	Level 1	Level 2	Level 3	Total
Interest-Bearing Cash	$1,820,990			$ 1,820,990
Exchange-Traded Funds	1,708,222			1,708,222
Common Stocks	452,842			452,842
Bluewater Constructors, Inc. - Common Stock			$11,288,280	11,288,280
Investments measured at net asset value (a)				143,223
Total investments at fair value	$3,982,054		$11,288,280	$15,413,557

NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

(a) Certain investments that were measured at NAV per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the investment line item presented in the statements of net assets available for benefits.

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2017:

	Bluewater Constructors, Inc. - Common Stock
Balance, beginning of year	$11,288,280
Appreciation in fair value of investment	7,562,760
Balance, end of year	$18,851,040
The amount of total gain for the period included in change in net assets available for benefits attributable to the change in appreciation in fair value of investments relating to assets still held at the reporting date	$ 7,562,760

Gains included in change in net assets available for benefits for the period above are reported in net appreciation in fair value of investments in the statement of changes in net assets available for benefits.

NOTE 5 - CONCENTRATIONS

Credit Risk

Financial instruments that potentially subject the Plan to concentrations of credit risk principally consist of cash. The Plan places its cash in financial institutions. At times, such cash investments may be in excess of federally insured limits.

Investments

The Plan's investment in the Company common stock is 82% and 73% of the Plan's net assets available for benefits as of December 31, 2017 and 2016, respectively.

NOTE 6 - RISKS AND UNCERTAINTIES

The Plan provides for various investments, mainly in Company common stock, other common stocks, exchange-traded funds, and a limited partnership. In general, such investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

NOTE 7 - PARTY-IN-INTEREST TRANSACTION

During 2017 and 2016, the Plan invested in common stock issued by the Company. This transaction qualifies as a party-in-interest transaction. This transaction is covered by an exemption from the prohibited transaction provisions of ERISA.

NOTE 8 - RECONCILIATION OF FINANCIAL STATEMENTS TO THE FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31:

	2017	2016
Net assets available for benefits per the financial statements	$22,953,805	$15,485,000
Benefits payable per the Form 5500	-	(47,375)
Net assets available for benefits per the Form 5500	$22,953,805	$15,437,625

The following is a reconciliation of the change in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2017:

Change in net assets available for benefits per the financial statements	$7,468,805
Add: Benefits payable per the Form 5500 - December 31, 2016	47,375
Change in net assets available for benefits per the Form 5500	$7,516,180

Benefits payable are recorded on the Form 5500 for benefits that have been requested and approved for distribution prior to the plan year-end, but have not yet been distributed.

NOTE 9 - SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through September 18, 2018, the date the financial statements were available to be issued.

BLUEWATER CONSTRUCTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
EIN: 74-1907870 PLAN #001
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2017

(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
	Common Stocks:			
*	Bluewater Constructors, Inc.	2,280 common shares, $1 par value per share	$ 5,660,400	$ 18,851,040
	AbbVie Inc.	286 common shares	13,972	27,659
	Altria Group Inc.	328 common shares	11,264	23,422
	Analog Devices Inc	312 common shares	19,804	27,777
	BB&T Corp	516 common shares	19,662	25,656
	Boeing Co	105 common shares	21,604	30,966
	Chevron Corp New	190 common shares	19,640	23,786
	Cisco Systems Inc	644 common shares	19,897	24,665
	Coca Cola Co.	479 common shares	18,385	21,977
	Exelon Corp	591 common shares	21,258	23,291
	HP Inc	1,146 common shares	21,717	24,077
	ING Groep NV Adr	1,336 common shares	24,254	24,663
	Intel Corp	564 common shares	14,373	26,034
	International Paper Co	447 common shares	18,672	25,899
	Manulife Financial Corp	1,116 common shares	23,797	23,280
	McDonalds Corp	142 common shares	15,817	24,441
	Merck & Co. Inc.	334 common shares	18,104	18,794
	Omnicom Group Inc	242 common shares	16,813	17,625
	Paychex Inc	336 common shares	15,089	22,875
	Pfizer Inc	624 common shares	20,999	22,601
	Tapestry Inc	462 common shares	21,199	20,434
	Waste Mgmt Inc.	336 common shares	14,309	28,997
	Yum Brands Inc	326 common shares	20,282	26,605
	Exchange-Traded Funds:			
	Ishares	TR Core S&P 500 ETF - 814 shares	189,722	218,844
	Ishares	TR Core US Aggregate BD - 2,264 shares	245,509	247,524
	Ishares	TR Core MSCI Emerging Mkts - 828 shares	37,590	47,113
	Ishares	TR IBOXX $ High Yield Corp BD - 1,944 shares	165,864	169,633

BLUEWATER CONSTRUCTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
EIN: 74-1907870 PLAN #001
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
(CONTINUED)
December 31, 2017

(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
	Exchange-Traded Funds (continued):			
	Ishares	TR Intermediate CR BD - 1,563 shares	$ 169,457	$ 170,695
	Ishares	TR Core MSCI EAFE ETF - 1,693 shares	94,723	111,890
	Ishares	TR Tips BD - 1,159 shares	131,176	132,219
	PIMCO	TR Active BD EFT - 1,078 shares	113,306	114,268
	Rydex	TR Guggenheim S&P 500 - 634 shares	57,013	64,053
	SPDR	Portfolio Mid Cap ETF - 3,117 shares	95,235	103,983
	SPDR	Blackstone GSO Senior Loan - 1,995 shares	94,505	94,124
	Vanguard	Charlotte FDS Total Intl BD - 2,455 shares	130,690	133,478
	Vanguard	Scottsdale FDS Vanguard - 3,321 shares	264,142	263,356
	Vanguard	Whitehall FDS High Div Yield - 255 shares	14,629	21,836
	Wisdom Tree	TR High Dividend FD - 305 shares	16,144	22,216
	Limited Partnership	PMF TEI Fund, L.P.	119,351	126,878
	Interest-Bearing Cash:			
	Amegy Bank of Texas	Money market	1,292,767	1,292,767
	Dreyfus	Money market	153,220	153,220
			$ 9,456,354	**$ 22,874,661**

***** A party in interest as defined by ERISA.

BLUEWATER CONSTRUCTORS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
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SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
(CONTINUED)
December 31, 2017

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