

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

2022

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

- 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)
- E** If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶

Part II Basic Plan Information—enter all requested information

1a Name of plan <u>CHARTER CONSTRUCTION, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	1b Three-digit plan number (PN) ▶ <u>002</u>
	1c Effective date of plan <u>01/01/2015</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>CHARTER CONSTRUCTION, INC.</u> <u>980 S HARNEY STREET</u> <u>SEATTLE, WA 98108</u>	2b Employer Identification Number (EIN) <u>91-1204656</u>
	2c Plan Sponsor's telephone number <u>206-382-1900</u>
	2d Business code (see instructions) <u>236110</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	<u>Filed with authorized/valid electronic signature.</u>	<u>10/05/2023</u>	<u>DAWN STEPHENS</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/05/2023</u>	<u>DAWN STEPHENS</u>
	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 (2022)
v. 220413

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN	
	3c Administrator's telephone number	
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	279
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 a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)..... h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1)	211
	6a(2)	211
	6b	60
	6c	7
	6d	278
	6e	1
	6f	279
	6g	279
	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: 2I 2P 2Q 3H 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)	9b Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> 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)

<p>a Pension Schedules</p> <p>(1) <input checked="" type="checkbox"/> R (Retirement Plan Information)</p> <p>(2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary</p> <p>(3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary</p>	<p>b General Schedules</p> <p>(1) <input checked="" type="checkbox"/> H (Financial Information)</p> <p>(2) <input type="checkbox"/> I (Financial Information – Small Plan)</p> <p>(3) <input type="checkbox"/> A (Insurance Information)</p> <p>(4) <input checked="" type="checkbox"/> C (Service Provider Information)</p> <p>(5) <input type="checkbox"/> D (DFE/Participating Plan Information)</p> <p>(6) <input type="checkbox"/> G (Financial Transaction Schedules)</p>
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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 2022 Form M-1 annual report. If the plan was not required to file the 2022 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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2022 This Form is Open to Public Inspection.
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

A Name of plan <u>CHARTER CONSTRUCTION, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CHARTER CONSTRUCTION, INC.</u>	D Employer Identification Number (EIN) <u>91-1204656</u>	

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

UBS FINANCIAL SERVICES INC. 925 FOURTH AVENUE 31ST 32ND FLOOR
SEATTLE, WA 98104-1157

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

UBS FINANCIAL SERVICES INC. 925 FOURTH AVENUE 31ST 32ND FLOOR
SEATTLE, WA 98104-1157

(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)

UBS

51-0120742

(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 71	INVESTMENT MANAGEMENT	32110	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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

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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

2022

This Form is Open to Public Inspection

For calendar plan year 2022 or fiscal plan year beginning **01/01/2022** and ending **12/31/2022**

A Name of plan CHARTER CONSTRUCTION, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 CHARTER CONSTRUCTION, INC.	D Employer Identification Number (EIN) 91-1204656

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)	114172
c General investments:		
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	2009360
(2) U.S. Government securities.....	1c(2)	25682855
(3) Corporate debt instruments (other than employer securities):		
(A) Preferred.....	1c(3)(A)	
(B) All other.....	1c(3)(B)	12102199
(4) Corporate stocks (other than employer securities):		
(A) Preferred.....	1c(4)(A)	
(B) Common.....	1c(4)(B)	
(5) Partnership/joint venture interests.....	1c(5)	
(6) Real estate (other than employer real property).....	1c(6)	
(7) Loans (other than to participants).....	1c(7)	
(8) Participant loans.....	1c(8)	
(9) Value of interest in common/collective trusts.....	1c(9)	
(10) Value of interest in pooled separate accounts.....	1c(10)	
(11) Value of interest in master trust investment accounts.....	1c(11)	
(12) Value of interest in 103-12 investment entities.....	1c(12)	
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	
(15) Other.....	1c(15)	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)		
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	25682855	14225731

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	0	0

Net Assets

l Net assets (subtract line 1k from line 1f).....	1l	25682855	14225731
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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)		
(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)	279354	
(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)		279354
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A), (B), and (C).....	2b(2)(D)		0
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)	-15507	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		-15507

		(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)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		263847
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	11688860	
(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)		11688860
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)	32111	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		32111
j Total expenses. Add all expense amounts in column (b) and enter total	2j		11720971
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		-11457124
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) Unmodified (2) Qualified (3) Disclaimer (4) Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

- (1) DOL Regulation 2520.103-8 (2) DOL Regulation 2520.103-12(d) (3) neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

(1) Name: MOSS ADAMS LLP

(2) EIN: 91-0819318

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.)

	Yes	No	Amount
4a		X	

		Yes	No		Amount
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		
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 Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) Yes No Not determined
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (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>	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.	<small>OMB No. 1210-0110</small> 2022 This Form is Open to Public Inspection.
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

A Name of plan <u>CHARTER CONSTRUCTION, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CHARTER CONSTRUCTION, INC.</u>	D Employer Identification Number (EIN) <u>91-1204656</u>	

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): 42-0127290

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 (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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 deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b	
c The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	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): _____

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? Yes No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

Yes.

No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

No. Other. Provide explanation _____



Report of Independent Auditors
and Financial Statements
with Supplemental Schedules

**Charter Construction, Inc.
Employee Stock Ownership Plan**

December 31, 2022 and 2021

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Report of Independent Auditors

The Plan Administrator
Charter Construction, Inc. Employee Stock Ownership Plan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Charter Construction, Inc. Employee Stock Ownership Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of Charter Construction, Inc. Employee Stock Ownership Plan as of December 31, 2022 and 2021, and the changes in its net assets available for benefits for the year ended December 31, 2022, in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Charter Construction, Inc. Employee Stock Ownership Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Charter Construction, Inc. Employee Stock Ownership Plan's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Charter Construction, Inc. Employee Stock Ownership Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Charter Construction, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter

Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of Schedule H, line 4(i) – schedule of assets (held at end of year) as of December 31, 2022, and Schedule H, line 4(j) – schedule of reportable transactions for the year ended December 31, 2022, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of 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 GAAS.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedules are fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Moss Adams LLP

Seattle, Washington

October 3, 2023

Financial Statements

Charter Construction, Inc. Employee Stock Ownership Plan
Statements of Net Assets Available for Benefits
December 31, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 2,009,360	\$ 25,682,855
Investments at fair value		
Corporate bonds	12,102,199	-
	14,111,559	25,682,855
Receivables		
Interest income	114,173	-
NET ASSETS AVAILABLE FOR BENEFITS	\$ 14,225,732	\$ 25,682,855

See accompanying notes.

Charter Construction, Inc. Employee Stock Ownership Plan
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2022

ADDITIONS TO NET ASSETS ATTRIBUTED TO	
Net depreciation in fair value of investments	\$ (15,505)
Interest	<u>279,353</u>
Net investment income	<u>263,848</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO	
Benefits paid to participants	11,688,860
Administrative expenses	<u>32,111</u>
Total deductions	<u>11,720,971</u>
CHANGE IN NET ASSETS	(11,457,123)
NET ASSETS AVAILABLE FOR BENEFITS	
Beginning of year	<u>25,682,855</u>
End of year	<u><u>\$ 14,225,732</u></u>

See accompanying notes.

Charter Construction, Inc. Employee Stock Ownership Plan

Notes to Financial Statements

Note 1 – Plan Description and Basis of Presentation

Charter Construction, Inc. (the Company), established the Charter Construction, Inc. Employee Stock Ownership Plan (the Plan) effective January 1, 2015. The Plan operates as an employee stock ownership plan (ESOP), and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code (IRC) and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by an independent plan trustee (Trustee). Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

On September 30, 2016, the Plan purchased 100% of the outstanding shares of the Company's stock with a loan of \$16,000,000 (see Note 6). The borrowing is collateralized by the unallocated shares of stock. The lender has no rights against shares of stock once they are allocated to participants in accordance with the terms of the Plan. Accordingly, the financial statements presented separately the assets and liabilities and changes therein pertaining to:

- The accounts of employees with rights in allocated stock (allocated), and
- Stock not yet allocated to employees (unallocated)

Effective December 30, 2021, the Company was sold to an independent third party for \$47,500,000 of which \$25,682,855 was paid to the ESOP plan. \$20,801,109 was paid to the Company to fund employee warrants and management incentive plans and the remaining amount along with \$2,000,000 contributed at closing by the Company was used to pay off the remaining seller loan balances, pay closing costs, and pay the net working capital adjustment.

As a result of the sale, 307,333 shares valued at \$10,984,081 were allocated to participants at closing. This allocation plus previously allocated shares along with the shares allocated from the annual debt payment totaled 718,590 vested shares allocated to participants. The Company agreed to cancel the remaining balance of the ESOP loan (Note 6) in exchange for the remaining unallocated 281,410 shares, which were cancelled and extinguished at closing. The Company then purchased the 718,590 shares from the participants at \$35.74 per share and extinguished the shares.

Eligibility – Employees of the Company who are not covered under collective bargaining agreements or are not non-resident aliens were eligible to participate in the Plan following the completion of one year of service and the attainment of age 21. Prior to January 1, 2021, a participant could enter the Plan on the January 1 or July 1 immediately following fulfilling the eligibility requirements. Eligible participants needed at least 1,000 hours of service and be employed on the last day of the Plan year, unless terminated on or after normal retirement age or due to death or permanent disability, to receive an allocation of Company contributions for that year.

Charter Construction, Inc. Employee Stock Ownership Plan Notes to Financial Statements

In connection with sale of the Company, in 2021 the Plan was amended to allow all employees hired during 2021 who had at least 1,000 hours of service and were employed on December 30, 2021 (date of sale), to be Plan participants for the entire 2021 Plan year and receive a full allocation of the shares released during 2021 along with any distributed and forfeited shares. Employees hired during 2021 and were employed on December 30, 2021, but did not have 1,000 hours of service were eligible to receive an allocation of the released shares resulting from the annual loan payment and an allocation of distributions during the year, but did not receive an allocation of the 307,333 shares released at closing or an allocation of any forfeited shares. This amendment was retroactively effective on January 1, 2021.

Contributions – The Company was obligated to make contributions in cash to the Plan which equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its notes payable.

Participant accounts – The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each plan year with an allocation, as applicable, of the Company contribution, shares of the Company's stock released by the Trustee from the unallocated account, and forfeitures of terminated participants' nonvested accounts. Allocations of contributions, stock, and forfeitures are based on a participant's eligible compensation, relative to total eligible compensation. Appreciation or depreciation in the value of Company stock is allocated to each participant's Company stock account based on the ratio of the participant's Company stock account balance to all participants' Company stock account balances.

Vesting – If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, he or she vested in the balances in his or her account based on total years of service with the Company. Participant accounts vest according to the following schedule:

<u>Credited Years of Service</u>	<u>Percentage Vested</u>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

All participants became fully vested as a result of the sale of the Company.

Payment of benefits – Distributions shall be made in accordance with the Plan document when a participant retires, becomes disabled, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representatives), or otherwise terminates employment with the Company. In general, prior to the sale, a participant's account will be distributed in cash through repurchase of shares by the Plan at a price representative of the fair market value of the stock.

Charter Construction, Inc. Employee Stock Ownership Plan Notes to Financial Statements

Accounts less than \$5,000 will be distributed in a single lump sum as soon as administratively practicable in the first Plan year following the Plan year in which the participant terminates employment. Accounts in excess of \$5,000 may remain in the Plan or be distributed in equal annual installments generally not to exceed five years based on participant direction. Distributions begin either in the Plan year following the Plan year in which the participant retires, becomes disabled or dies or in the fifth year following termination of service with the Company for other reasons.

During the year-ended December 31, 2022, each participant with an account balance as of December 31, 2021, was eligible to take a distribution of 50% of their account balance.

Forfeitures – Prior to the sale, nonvested portions of participant accounts will be forfeited upon termination of service, with possible reinstatement in the event of reemployment prior to a five-year break in service. During 2022, no shares were reallocated to the eligible participants' accounts.

Diversification – Prior to the sale, diversification was offered to participants close to retirement so they would have the opportunity to move part of the value of their investment in the Company stock into investments which are more diversified. Prior to the sale, participants who were at least age 55 with at least ten years of participation in the Plan could elect to diversify a portion of their account. Prior to the sale, diversification was offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the balance in their account less all amounts previously diversified. In the sixth year, the percentage increases to 50%.

Voting rights – Prior to the sale, each participant was entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee is not permitted to vote any share for which instructions have not been given by a participant. The Trustee was required, however, to vote any unallocated shares on behalf of the collective best interests of Plan participants and beneficiaries.

Termination of plan – It is the intention of management to terminate once the remaining assets have been distributed. Upon termination, the Trustee shall distribute the interest of each participant in the trust fund to such participant or his or her beneficiary at the time prescribed by the Plan terms and the IRC and the Board of Directors shall direct the Trustee to pay all liabilities and expenses of the trust fund. As of the audit report date the plan has not yet been terminated.

Note 2 – Summary of Significant Accounting Policies

Basis of accounting – The financial statements of the Plan are prepared using the accrual method of accounting.

Use of estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that may affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

Investment valuation – Investments are reported at fair value. See Note 5 for discussion of fair value measurements.

Charter Construction, Inc. Employee Stock Ownership Plan

Notes to Financial Statements

Allocations – The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to (a) the accounts of employees with rights in allocated stock (allocated) and (b) stock not yet allocated to employees (unallocated), including shares that are committed to be released. Shares are released from collateral and become allocated generally in the period in which debt service is actually paid.

Income recognition – Purchases and sales of securities are recorded on a trade-date basis.

Payment of benefits – Benefits are recorded when paid.

Administrative expenses – General plan administrative expenses are allocated to participants, based on their account balance, or paid by the Company. The Company has historically paid the operating expenses for the Plan.

Subsequent events – Subsequent events are events or transactions that occur after the statement of net assets (deficit) available for benefits date but before financial statements are available to be issued. The Plan recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net assets (deficit) available for benefits, including the estimates inherent in the process of preparing the financial statements. The Plan's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net assets (deficit) available for benefits but arose after the statement of net assets (deficit) available for benefits date and before the financial statements are available to be issued. The Plan has evaluated subsequent events through October 3, 2023, which is the date the financial statements were available to be issued.

Note 3 – Fair Value Measurements

The framework for measuring fair value provides a 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 the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities 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; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 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.

Charter Construction, Inc. Employee Stock Ownership Plan

Notes to Financial Statements

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

Following is a description of the valuation techniques used for assets measured at fair value for the year ended December 31, 2022. No assets were measured at fair valued for the year ended December 31, 2021.

Corporate bonds – Valued using pricing models maximizing the use of observable inputs for similar securities, which includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, those corporate bonds are valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

The following tables disclose the fair value hierarchy of the Plan's assets by level as of December 31, 2022:

	Fair Value Measurement at December 31, 2022			
	Level 1	Level 2	Level 3	Total
Corporate bonds	\$ -	\$ 12,102,199	\$ -	\$ 12,102,199
Investments at fair value	\$ -	\$ 12,102,199	\$ -	\$ 12,102,199

Note 4 – Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated December 5, 2017, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

In accordance with guidance on accounting for uncertainty in income taxes, the Plan administrator evaluated the Plan's tax positions and does not believe the Plan has any uncertain tax positions that require disclosure or adjustment to 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.

Note 5 – Administration of Plan Assets

Prior to the sale, the Plan assets, which consisted of Company common stock, were held by the Trustee of the Plan.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

Charter Construction, Inc. Employee Stock Ownership Plan Notes to Financial Statements

Note 6 – Note Payable

On September 30, 2016, the Plan entered into promissory notes with two shareholders of the Company totaling \$16,000,000. The proceeds of the notes were used to purchase the Company's outstanding common stock. As part of a restructuring between the Plan, the Company, and the promissory note holders, the debt was then assigned to the Company as the obligor. As a result, the Plan entered into a new note payable agreement totaling \$16,000,000 with the Company. Unallocated shares are collateral for the note. The agreement provided for the note to be repaid over 35 years. The note interest rate was 1.90% per annum. The Plan could repay the principal amount outstanding under notes in whole or in part without premium or penalty. In December 2021, the Plan made a note payment of principal and interest to the Company in the amount of \$621,255 to fund the annual payment according to the amortization schedule. The remaining debt was partially paid and partially forgiven as described in Note 1.

**Supplemental Schedules
Required by the Department of Labor**

Charter Construction, Inc. Employee Stock Ownership Plan
EIN: 91-1204656, Plan #: 002
Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)
December 31, 2022

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Date	(d) Cost	(e) Current Value
	Liquid Assets Government Fund	Cash	\$ 277,280	\$ 277,280
	Treasury Bill	Money Market	1,750,000	1,732,080
	General Motors FINL CO	Corporate Bond	575,000	574,965
	Toronto-Dominion Bank	Corporate Bond	500,000	499,775
	Bank of America CORP	Corporate Bond	560,000	559,809
	Kinder Morgan INC	Corporate Bond	561,000	560,512
	Sumitomo Mitsui FINL GRP	Corporate Bond	632,000	631,596
	Equinor ASA	Corporate Bond	500,000	499,620
	Goldman Sachs Group Inc	Corporate Bond	500,000	499,580
	JP Morgan Chase & CO	Corporate Bond	561,000	560,568
	Capital One Financial CO	Corporate Bond	562,000	562,000
	Bristol-Myers Squibb CO	Corporate Bond	563,000	561,745
	Goldman Sachs Group Inc	Corporate Bond	500,000	498,745
	Morgan Stanley	Corporate Bond	563,000	561,846
	American Express CO	Corporate Bond	633,000	632,538
	Nextera Energy Capital	Corporate Bond	572,000	568,082
	Mitsubishi UFJ FIN GRP	Corporate Bond	634,000	632,649
	BNP Paribas	Corporate Bond	500,000	498,705
	Enterprise Products OPER	Corporate Bond	635,000	633,152
	Toyota Motor Credit CORP	Corporate Bond	645,000	637,847
	Exxon Mobil Corporation	Corporate Bond	640,000	633,997
	General Motors FINL CO	Corporate Bond	20,000	19,901
	Capital One Financial CO	Corporate Bond	70,000	69,432
	Astrazeneca PLC	Corporate Bond	579,000	568,740
	Canadian Imperial Bank	Corporate Bond	650,000	636,395
			<u>\$ 14,182,280</u>	<u>\$ 14,111,559</u>

Charter Construction, Inc. Employee Stock Ownership Plan

EIN: 91-1204656, Plan #: 002

Schedule H, Line 4(j) – Schedule of Reportable Transactions

December 31, 2022

(a) Identity of Party Involved	(b) Description of Asset (Include Interest Rate and Maturity in Case of a Loan)	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain or Loss
Astrazeneca	Astrazeneca PLC	\$ 99.36	N/A	\$ 1,817,268	\$ 1,817,268	\$ -
Astrazeneca	Astrazeneca PLC	N/A	\$ 100.00	(1,250,538)	(1,250,000)	(538)
US Govt	Treasury Bill	99.84	N/A	49,971,352	49,971,352	-
US Govt	Treasury Bill	N/A	100.00	(27,326,620)	(27,358,000)	31,380

Charter Construction, Inc. Employee Stock Ownership Plan

EIN: 91-1204656, Plan #: 002

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2022

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Date	(d) Cost	(e) Current Value
	Liquid Assets Government Fund	Cash	\$ 277,280	\$ 277,280
	Treasury Bill	Money Market	1,750,000	1,732,080
	General Motors FINL CO	Corporate Bond	575,000	574,965
	Toronto-Dominion Bank	Corporate Bond	500,000	499,775
	Bank of America CORP	Corporate Bond	560,000	559,809
	Kinder Morgan INC	Corporate Bond	561,000	560,512
	Sumitomo Mitsui FINL GRP	Corporate Bond	632,000	631,596
	Equinor ASA	Corporate Bond	500,000	499,620
	Goldman Sachs Group Inc	Corporate Bond	500,000	499,580
	JP Morgan Chase & CO	Corporate Bond	561,000	560,568
	Capital One Financial CO	Corporate Bond	562,000	562,000
	Bristol-Myers Squibb CO	Corporate Bond	563,000	561,745
	Goldman Sachs Group Inc	Corporate Bond	500,000	498,745
	Morgan Stanley	Corporate Bond	563,000	561,846
	American Express CO	Corporate Bond	633,000	632,538
	Nextera Energy Capital	Corporate Bond	572,000	568,082
	Mitsubishi UFJ FIN GRP	Corporate Bond	634,000	632,649
	BNP Paribas	Corporate Bond	500,000	498,705
	Enterprise Products OPER	Corporate Bond	635,000	633,152
	Toyota Motor Credit CORP	Corporate Bond	645,000	637,847
	Exxon Mobil Corporation	Corporate Bond	640,000	633,997
	General Motors FINL CO	Corporate Bond	20,000	19,901
	Capital One Financial CO	Corporate Bond	70,000	69,432
	Astrazeneca PLC	Corporate Bond	579,000	568,740
	Canadian Imperial Bank	Corporate Bond	650,000	636,395
			<u>\$ 14,182,280</u>	<u>\$ 14,111,559</u>

Charter Construction, Inc. Employee Stock Ownership Plan

EIN: 91-1204656, Plan #: 002

Schedule H, Line 4(j) – Schedule of Reportable Transactions

December 31, 2022

(a) Identity of Party Involved	(b) Description of Asset (Include Interest Rate and Maturity in Case of a Loan)	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain or Loss
Astrazeneca	Astrazeneca PLC	\$ 99.36	N/A	\$ 1,817,268	\$ 1,817,268	\$ -
Astrazeneca	Astrazeneca PLC	N/A	\$ 100.00	(1,250,538)	(1,250,000)	(538)
US Govt	Treasury Bill	99.84	N/A	49,971,352	49,971,352	-
US Govt	Treasury Bill	N/A	100.00	(27,326,620)	(27,358,000)	31,380