

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
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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 STERLING BAY, LLC 401(K) PLAN	1b Three-digit plan number (PN) ▶	001
1c Effective date of plan 08/01/2008		
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) STERLING BAY, LLC 333 NORTH GREEN, SUITE 1100 CHICAGO, IL 60607	2b Employer Identification Number (EIN) 36-4823717	2c Plan Sponsor's telephone number 312-202-3477
	2d Business code (see instructions) 531310	

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.	10/16/2023	GWENETH KAMINSKAS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

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v. 220413

3a Plan administrator's name and address ☒ 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		5 139
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) 101
a(2) Total number of active participants at the end of the plan year		6a(2) 132
b Retired or separated participants receiving benefits		6b 0
c Other retired or separated participants entitled to future benefits.....		6c 46
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 178
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 1
f Total. Add lines 6d and 6e		6f 179
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 153
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 11
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: 2E 2F 2G 2J 3H 2K 3B 2T 3D		
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 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) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 STERLING BAY, LLC 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 STERLING BAY, LLC	D Employer Identification Number (EIN) 36-4823717	

Part I	Service Provider Information (see instructions)
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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
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

(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)

WILLIAM BLAIR & CO.

36-2214610

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	ADVISOR	43959	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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04-2647786

(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?
37 64 65	RECORDKEEPER	8278	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
(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 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>STERLING BAY, LLC 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>STERLING BAY, LLC</u>	D Employer Identification Number (EIN) <u>36-4823717</u>	

Part I	Asset and Liability Statement
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.	
Assets	(a) Beginning of Year (b) End of Year
a Total noninterest-bearing cash.....	1a 0 0
b Receivables (less allowance for doubtful accounts):	
(1) Employer contributions.....	1b(1) 2033 30331
(2) Participant contributions.....	1b(2) 4638 95844
(3) Other.....	1b(3) 0 6623
c General investments:	
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1) 269666 21756
(2) U.S. Government securities	1c(2) 0 0
(3) Corporate debt instruments (other than employer securities):	
(A) Preferred	1c(3)(A) 0 0
(B) All other	1c(3)(B) 0 0
(4) Corporate stocks (other than employer securities):	
(A) Preferred	1c(4)(A) 0 0
(B) Common.....	1c(4)(B) 0 0
(5) Partnership/joint venture interests	1c(5) 0 0
(6) Real estate (other than employer real property)	1c(6) 0 0
(7) Loans (other than to participants).....	1c(7) 0 0
(8) Participant loans.....	1c(8) 97548 44731
(9) Value of interest in common/collective trusts.....	1c(9) 0 0
(10) Value of interest in pooled separate accounts	1c(10) 0 0
(11) Value of interest in master trust investment accounts.....	1c(11) 0 0
(12) Value of interest in 103-12 investment entities	1c(12) 0 0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13) 13287479 9530535
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14) 0 0
(15) Other	1c(15) 0 0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	13661364	9729820

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	7094
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	7094

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	13661364	9722726
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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)	586656	
(B) Participants	2a(1)(B)	1346255	
(C) Others (including rollovers)	2a(1)(C)	350380	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2283291
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	3519	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		3519
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	855749	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		855749
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(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)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-3060868
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		81691
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3966278	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		3966278
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	1814	
(4) Other	2i(4)	52237	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		54051
j Total expenses. Add all expense amounts in column (b) and enter total	2j		4020329
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-3938638
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

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: CITRIN COOPERMAN

(2) EIN: 22-2428965

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?	X		2000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
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.)	X		
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) 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 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 STERLING BAY, LLC 401(K) PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 STERLING BAY, LLC		D Employer Identification Number (EIN) 36-4823717
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 04-6568107		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock?..... ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

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: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....	14a
b	The plan year immediately preceding the current plan year. ☐ 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. ☐ 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 _____

STERLING BAY, LLC 401(k) PLAN
FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES
YEAR ENDED DECEMBER 31, 2022

**STERLING BAY, LLC 401(k) PLAN
FOR THE YEAR ENDED DECEMBER 31, 2022**

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
Sterling Bay, LLC 401(k) Plan

Scope and Nature of ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the financial statements of Sterling Bay, LLC 401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) ("ERISA Section 103(a)(3)(C) audit"). The financial statements comprise the statement of net assets available for benefits as of December 31, 2022, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan ("investment information") by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA ("qualified institution").

Management has obtained a certification from a qualified institution as of December 31, 2022, and for the year then ended, stating that the certified investment information, as described in Note 4 to the financial statements is complete and accurate.

Opinion

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section -

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audit 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 the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) 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 accounting principles generally accepted in the United States of America, 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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 the Plan's ability to continue as a going concern for one year after the date 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

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 the 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 the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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.

Supplemental Information Required by ERISA

The supplemental schedule H, line 4a - delinquent participant contributions and schedule H, line 4i - assets (held at end of year) 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 included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit 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. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including its form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Supplemental Information Required by ERISA (Continued)

In our opinion -

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Other Matter - Auditor's Report on the 2021 Financial Statements

The predecessor auditor performed an audit of the financial statements of the Sterling Bay, LLC 401(k) Plan 2021. In accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the prior year audit did not extend to any statements or information related to assets held for investment of the Plan that were certified by a qualified institution. Their report dated December 5, 2022, indicated that (a) the amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, and (b) the information in the 2021 financial statements related to assets held by and certified to by a qualified institution that management determined meets the requirements of ERISA Section 103(a)(3)(C). Their report also indicated that the form and content of the 2021 supplemental schedule, other than the information in the 2021 supplemental schedule that agreed to or is derived from the certified investment information, was presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA; and the information in the 2021 supplemental schedule related to assets held by and certified by an institution that management determines meets the requirements of ERISA Section 103(a)(3)(C).


CERTIFIED PUBLIC ACCOUNTANTS

Chicago, Illinois
October 11, 2023

STERLING BAY, LLC 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2022 AND 2021

	2022	2021
Assets:		
Investments, at fair value	\$ <u>9,552,291</u>	\$ <u>13,557,145</u>
Receivables:		
Employer contribution	30,331	2,033
Other employer contribution	6,623	-
Participant contribution	95,844	4,638
Notes receivable from participants	<u>44,731</u>	<u>97,548</u>
Total receivables	<u>177,529</u>	<u>104,219</u>
Total assets	9,729,820	13,661,364
Liabilities:		
Excess contributions payable	<u>7,094</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	\$ <u><u>9,722,726</u></u>	\$ <u><u>13,661,364</u></u>

See accompanying notes to financial statements.

STERLING BAY, LLC 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2022

Additions to (deductions from) net assets attributed to:

Investment income (loss):

Interest and dividends income	\$	855,749
Net depreciation in fair value of investments		<u>(3,060,868)</u>

Investment loss, net		(2,205,119)
----------------------	--	-------------

Interest income on notes receivable from participants		3,519
---	--	-------

Contributions:

Participants		1,346,255
Employer		586,656
Rollover		<u>350,380</u>

Total contributions		<u>2,283,291</u>
---------------------	--	------------------

Total additions		81,691
-----------------	--	--------

Deductions from net assets attributed to:

Benefits paid to participants		3,966,278
Administrative expenses		<u>54,051</u>

Total deductions		<u>4,020,329</u>
------------------	--	------------------

Net decrease in net assets available for benefits		(3,938,638)
---	--	-------------

Net assets available for benefits - beginning		<u>13,661,364</u>
---	--	-------------------

NET ASSETS AVAILABLE FOR BENEFITS - ENDING		<u>\$ 9,722,726</u>
---	--	----------------------------

See accompanying notes to financial statements.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. DESCRIPTION OF PLAN

The following description of Sterling Bay, LLC 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Sterling Bay, LLC and Sterling Bay Realty, LLC (collectively, the "Plan sponsor"). The Plan does not cover union employees or nonresident aliens. All employees who have completed 30 days of service are eligible to participate in the Plan on the first day of the month after the eligibility requirement is met. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective May 19, 2022, the Plan was amended and restated to include new provisions and changes to the IRC. There were no significant changes to the provisions of the Plan as a result of this restatement.

Administration

The Plan administrator and fiduciaries are responsible for oversight of the Plan and determine the appropriateness of the Plan's investment offerings and monitor investment performance. Fidelity Management Trust Plan sponsor is the Plan's custodian, and Fidelity Workplace Services, LLC is the Plan's recordkeeper.

Contributions

The Plan provides for employee salary deferral contributions subject to maximum tax-deferred limitations established by the Internal Revenue Code ("IRC"). Participants who have attained age 50 may make catch-up contributions in addition to their regular deferral contributions. Participants may designate all or a portion of their deferral contributions as Roth deferral contributions, which are after-tax contributions that are also subject to certain IRC limitations.

Participants may also make contributions to the plan in the form of a rollover of funds from another qualified plan.

The Plan sponsor may also make additional discretionary matching or profit-sharing contributions. Effective March 1, 2021, the Plan sponsor initiated an employer matching contribution equal to 100% of the first 4% of a participant's eligible compensation. Employer matching contributions are subject to certain limitations under the IRC. A participant must be employed on the last day of the plan year in order to receive an allocation of the discretionary profit-sharing contribution.

Participant accounts

Each participant's account is credited with the participant's contributions and allocations of the Plan sponsor's contributions and plan earnings and charged with an allocation of administrative expenses. Allocations are based on participants' compensation or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants direct the investments of their account balances into various investment options offered by the Plan.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. DESCRIPTION OF PLAN (CONTINUED)

Vesting

Participants are immediately 100 percent vested in employee salary, rollover, and safe harbor matching and related earnings thereon. Vesting in the Plan sponsor's discretionary matching or profit sharing contribution portion of their accounts, plus actual earnings, thereon, is based on years of service. Participants vest in discretionary contributions, 20 percent after two years of service and another 20 percent per year thereafter, until they become fully vested after six years of service. Participants also become fully vested upon retirement at age 65, death, or permanent disability.

Notes receivable from participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. The notes receivable are secured by the balance in the participant's account and bear interest at a fixed rate that is commensurate with local prevailing rates determined by the plan administrator. The notes generally have a term of five years or less. Loans for the purchase of a principal residence can be paid over a term of 15 years or less. Principal and interest are paid ratably through weekly or biweekly payroll deductions.

Benefit payments

Distributions are payable upon retirement, death, disability, or termination of employment in the form of a lump-sum amount equal to the vested balance of a participant's account. Account balances of less than \$5,000 are automatically distributed upon termination. In-service distributions may be made from a participant's vested account at any time after the attainment of age 59 ½.

Participants may request that all or a portion of their accounts be distributed in the case of severe financial hardship, as defined in the plan document. Benefits may be paid in the form of a lump-sum. The Plan sponsor must approve any such hardship withdrawals.

Forfeitures

If a participant is not fully vested on his or her termination date, the nonvested amount of the account is forfeited. Forfeitures are used to reduce future company contributions or to pay administrative expenses of the Plan. At December 31, 2022 and 2021, forfeited nonvested accounts totaled \$21,266 and \$1,665, respectively. For the year ended December 31, 2021, \$14,555 forfeitures were used to reduce employer contributions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of the Plan are prepared using the accrual method of accounting, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and changes in net assets available for benefits during the year. Accordingly, actual results could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year such adjustments are determined.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment valuation and income recognition

The Plan's investments are held by Fidelity Management Trust Company, the custodian, in various mutual funds. Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan Administrator and Plan fiduciaries determine the Plan's valuation policies utilizing information provided by the investment custodian.

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

Fair value measurements

U.S. GAAP defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under are described as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date

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: Unobservable inputs based on the Plan's assessment of the assumptions that market participants would use in pricing the asset or liability.

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

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2022 and 2021.

Mutual funds: Mutual funds are valued at the daily closing prices as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurements (continued)

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Plan administrator 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.

Assets measured at fair value are based on one or more of the following valuation techniques:

- (a) *Market approach.* Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- (b) *Cost approach.* Amount that would be required to replace the service capacity of an asset (replacement cost); and
- (c) *Income approach.* Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2022 or 2021. If a participant ceases to make loan repayments and the Plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Benefit payments

Benefits are recorded as a deduction from net assets when paid to Plan participants.

Administrative expenses

Certain expenses of maintaining the Plan are paid directly by the Plan sponsor and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment-related expenses are included in net depreciation in fair value of investments.

Subsequent events

The Plan has evaluated subsequent events through October 11, 2023, the date on which these financial statements were available to be issued, and has determined that, there are no subsequent events that require disclosure under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 855 Subsequent Events.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

3. FAIR VALUE MEASUREMENTS

The following table sets forth by level within the fair value hierarchy the Plan's assets at fair value as of December 31, 2022 and 2021:

		at December 31, 2022			
		Level 1	Level 2	Level 3	Total
Investments at fair value:					
Mutual funds		\$ 9,552,291	\$ -	\$ -	\$ 9,552,291

		at December 31, 2021			
		Level 1	Level 2	Level 3	Total
Investments at fair value:					
Mutual funds		\$ 13,557,145	\$ -	\$ -	\$ 13,557,145

During the years ended December 31, 2022 and 2021, there were no transfers between the levels of the fair value hierarchy.

4. INFORMATION PREPARED AND CERTIFIED BY PLAN CUSTODIAN

The following tables summarize investment and other asset information regarding the Plan as of December 31, 2022 and 2021, and for the year ended December 31, 2022, included in the Plan's financial statements and supplemental schedule, that was prepared by or derived from, without audit, information prepared by Fidelity Management Trust Company, the custodian, and furnished to the Plan administrator. The Plan administrator has obtained a certification from the custodian that such information is complete and accurate.

	2022	2021
Mutual funds, total investments	\$ 9,552,291	\$ 13,557,145
Notes receivable from participants	44,731	97,548
Total certified assets	\$ 9,597,022	\$ 13,654,693
Interest and dividend income	\$ 855,749	
Net depreciation in fair value of investments	\$ (3,060,868)	
Interest income on notes receivable from participants	\$ 3,519	

5. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participant's account balances and the amounts reported in the statements of net assets available for benefits.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

6. RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan assets are in investment funds managed by Fidelity Investments, an affiliate of Fidelity Management Trust Company. Fidelity Management Trust Company is the recordkeeper and custodian of the Plan; therefore, these transactions qualify as party-in-interest transactions, as defined under ERISA guidelines. Notes receivable from participants are also party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net depreciation in fair value of investments, as they are paid through revenue-sharing, rather than a direct payment. The plan sponsor pays directly any other fees related to the Plan's operations.

7. PLAN TERMINATION

While it has not expressed any intent to do so, the Plan sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their employer contributions.

8. TAX STATUS

The Plan, as adopted, is a volume submitter plan, which does not require an application or a determination letter from the Internal Revenue Service ("IRS"). The volume submitter plan has received a favorable opinion letter from the IRS dated June 30, 2020, stating that the volume submitter plan is designed in accordance with the applicable sections of the IRC. The Plan has not individually sought its own determination letter.

Although the Plan has been amended since receiving the opinion letter, the Plan administrator and the Plan's tax counsel believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore, believe the Plan is qualified and the related trust is tax-exempt.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) 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, 2022 and 2021, there are no uncertain tax positions taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods.

9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

Schedule H Part I and II of Form 5500 are in substantial agreement with the statements of net assets available for benefits as of December 31, 2022 and 2021, and the statement of changes in net assets available for benefits for the year ended December 31, 2022, and there are no reconciling items.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

10. QUALIFIED NONELECTIVE AND OTHER CONTRIBUTIONS

During the Plan year ended December 31, 2022, Plan management identified that certain employee and employer contributions were calculated inconsistent with participant elections and employer match contributions as defined by the Plan document. A qualified nonelective contribution ("QNEC") of \$6,623 to participant accounts for missed contributions was made subsequent to year-end. The QNEC is immediately 100% vested to the employees. The contribution will be made in accordance with IRS regulations and does not affect the tax status of the Plan. The amount is reflected as other employer contributions receivable in the statements of net assets available for benefits at December 31, 2022.

11. DELINQUENT PARTICIPANT CONTRIBUTIONS

During the Plan year ended December 31, 2022, the Plan sponsor failed to remit certain participant contributions and employer contributions aggregating \$9,461 to the Plan on a timely basis as prescribed in the applicable Department of Labor ("DOL") regulations. Defined contribution plans must remit employee contributions to the Plan as soon as they can be reasonably segregated from the employer's general assets. Failure to meet all of ERISA's requirements can result in the imposition of substantial fines, excise taxes, or other penalties. The Plan intends to take remedial actions under the Voluntary Compliance Program of the DOL and make the necessary remittance to the Plan in 2023. An amount of \$7,213 for delinquent participant contributions and \$2,248 for employer match contributions not remitted have been reflected as participant contribution receivable and employer contribution receivable, respectively, in the statements of net assets available for benefits at December 31, 2022.

During the Plan year ended December 31, 2022, the Plan sponsor erroneously contributed participant and employer match contributions in excess of participant deferrals and match calculations. The participant contribution error of \$7,094 has been reflected as a reduction of participants contributions on the statement of changes in net assets available for benefits and reflected as excess contributions payable in the statements of net assets available for benefits at December 31, 2022. The excess employer match contribution of \$1,896 will be forfeited from participant account balances in 2023 and has been reflected in employer contribution receivable in the statements of net assets available for benefits at December 31, 2022.

Plan management believes that this matter will not have a material effect on the Plan's financial statements. The Plan sponsor computed the lost earnings on these delinquent participant contributions and employer match contributions and other errors described above, and will make corrections net or inclusive of earnings to the Plan in 2023.

SUPPLEMENTAL SCHEDULES

STERLING BAY, LLC 401(k) PLAN
SCHEDULE H, LINE 4a - DELINQUENT PARTICIPANT CONTRIBUTIONS
DECEMBER 31, 2022
EIN: 36-4823717
PN: 001

		<u>Total that constitutes nonexempt prohibited transactions</u>			
				Contributions corrected or pending correction in	Total pending and fully corrected under VFCP and PTE 2002-51
<u>Year</u>		<u>Contributions not corrected</u>	<u>Contributions corrected outside of VFCP</u>	<u>VFCP</u>	
2022	✓	\$ <u>-</u>	\$ <u>9,461</u>	\$ <u>-</u>	\$ <u>-</u>

See independent auditor's report.

STERLING BAY, LLC 401(k) PLAN
SCHEDULE H, LINE 4i - ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2022
EIN: 36-4823717
PN: 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investments	(d) Cost	(e) Current Value
		Mutual Funds:		
	Allspring	Special Small Cap Value Fund	**	\$ 6,210
	American Century	Mid Cap Value Fund	**	30,995
	American Funds	American Mutual Fund	**	82,891
	Cohen & Steers	Realty Shares Fund	**	47,380
*	Fidelity	Fidelity U.S. Bond Index	**	27,809
*	Fidelity	Fidelity 500 Index	**	700,240
*	Fidelity	Fidelity Mid Cap Index	**	88,252
*	Fidelity	Fidelity Small Cap Index	**	77,074
*	Fidelity	Fidelity Inflation-Protected Bond Index	**	93,404
*	Fidelity	Fidelity Blue Chip Growth	**	348,031
*	Fidelity	Fidelity Freedom 2025	**	358,338
*	Fidelity	Fidelity Freedom 2030	**	185,394
*	Fidelity	Fidelity Freedom 2030	**	807,084
*	Fidelity	Fidelity Freedom 2040	**	1,242,789
*	Fidelity	Fidelity Freedom 2045	**	2,004,345
*	Fidelity	Fidelity Freedom 2050	**	1,600,142
*	Fidelity	Fidelity Freedom 2055	**	992,117
*	Fidelity	Fidelity Freedom 2060	**	434,434
*	Fidelity	Fidelity Freedom 2065	**	75,958
*	Fidelity	Fidelity Government Money Market	**	21,756
*	Fidelity	Global ex U.S. Index Fund	**	62,227
*	Fidelity	Fidelity International Capital Appreciation Fund	**	11,212
*	Fidelity	Total Bond Fund	**	5,508
	Janus Henderson	Janus Henderson Triton	**	19,810
	JPMorgan	Government Bond Fund	**	722
	MFS	MFS Massachusetts Investors Trust	**	22,310
	MFS	MFS Mid Cap Growth	**	151,880
	RBC	RBC Emerging Markets Equity	**	<u>53,979</u>
				9,552,291
		Participant loans with interest rates ranging from		
*	Participants	5.25% to 8.25%		<u>44,731</u>
	Total			<u><u>\$ 9,597,022</u></u>

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

** Cost information not required for participant directed investments.

See independent auditor's report.

STERLING BAY, LLC 401(k) PLAN
FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES
YEAR ENDED DECEMBER 31, 2022

**STERLING BAY, LLC 401(k) PLAN
FOR THE YEAR ENDED DECEMBER 31, 2022**

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
Sterling Bay, LLC 401(k) Plan

Scope and Nature of ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the financial statements of Sterling Bay, LLC 401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) ("ERISA Section 103(a)(3)(C) audit"). The financial statements comprise the statement of net assets available for benefits as of December 31, 2022, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan ("investment information") by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA ("qualified institution").

Management has obtained a certification from a qualified institution as of December 31, 2022, and for the year then ended, stating that the certified investment information, as described in Note 4 to the financial statements is complete and accurate.

Opinion

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section -

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audit 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 the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) 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 accounting principles generally accepted in the United States of America, 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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 the Plan's ability to continue as a going concern for one year after the date 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

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 the 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 the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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.

Supplemental Information Required by ERISA

The supplemental schedule H, line 4a - delinquent participant contributions and schedule H, line 4i - assets (held at end of year) 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 included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit 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. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including its form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Supplemental Information Required by ERISA (Continued)

In our opinion -

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Other Matter - Auditor's Report on the 2021 Financial Statements

The predecessor auditor performed an audit of the financial statements of the Sterling Bay, LLC 401(k) Plan 2021. In accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the prior year audit did not extend to any statements or information related to assets held for investment of the Plan that were certified by a qualified institution. Their report dated December 5, 2022, indicated that (a) the amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, and (b) the information in the 2021 financial statements related to assets held by and certified to by a qualified institution that management determined meets the requirements of ERISA Section 103(a)(3)(C). Their report also indicated that the form and content of the 2021 supplemental schedule, other than the information in the 2021 supplemental schedule that agreed to or is derived from the certified investment information, was presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA; and the information in the 2021 supplemental schedule related to assets held by and certified by an institution that management determines meets the requirements of ERISA Section 103(a)(3)(C).


CERTIFIED PUBLIC ACCOUNTANTS

Chicago, Illinois
October 11, 2023

STERLING BAY, LLC 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2022 AND 2021

	2022	2021
Assets:		
Investments, at fair value	\$ <u>9,552,291</u>	\$ <u>13,557,145</u>
Receivables:		
Employer contribution	30,331	2,033
Other employer contribution	6,623	-
Participant contribution	95,844	4,638
Notes receivable from participants	<u>44,731</u>	<u>97,548</u>
Total receivables	<u>177,529</u>	<u>104,219</u>
Total assets	9,729,820	13,661,364
Liabilities:		
Excess contributions payable	<u>7,094</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	\$ <u><u>9,722,726</u></u>	\$ <u><u>13,661,364</u></u>

See accompanying notes to financial statements.

STERLING BAY, LLC 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2022

Additions to (deductions from) net assets attributed to:

Investment income (loss):

Interest and dividends income	\$	855,749
Net depreciation in fair value of investments		<u>(3,060,868)</u>

Investment loss, net		(2,205,119)
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Interest income on notes receivable from participants		3,519
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Contributions:

Participants		1,346,255
Employer		586,656
Rollover		<u>350,380</u>

Total contributions		<u>2,283,291</u>
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Total additions		81,691
-----------------	--	--------

Deductions from net assets attributed to:

Benefits paid to participants		3,966,278
Administrative expenses		<u>54,051</u>

Total deductions		<u>4,020,329</u>
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Net decrease in net assets available for benefits		(3,938,638)
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Net assets available for benefits - beginning		<u>13,661,364</u>
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NET ASSETS AVAILABLE FOR BENEFITS - ENDING		<u>\$ 9,722,726</u>
---	--	----------------------------

See accompanying notes to financial statements.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. DESCRIPTION OF PLAN

The following description of Sterling Bay, LLC 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Sterling Bay, LLC and Sterling Bay Realty, LLC (collectively, the "Plan sponsor"). The Plan does not cover union employees or nonresident aliens. All employees who have completed 30 days of service are eligible to participate in the Plan on the first day of the month after the eligibility requirement is met. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective May 19, 2022, the Plan was amended and restated to include new provisions and changes to the IRC. There were no significant changes to the provisions of the Plan as a result of this restatement.

Administration

The Plan administrator and fiduciaries are responsible for oversight of the Plan and determine the appropriateness of the Plan's investment offerings and monitor investment performance. Fidelity Management Trust Plan sponsor is the Plan's custodian, and Fidelity Workplace Services, LLC is the Plan's recordkeeper.

Contributions

The Plan provides for employee salary deferral contributions subject to maximum tax-deferred limitations established by the Internal Revenue Code ("IRC"). Participants who have attained age 50 may make catch-up contributions in addition to their regular deferral contributions. Participants may designate all or a portion of their deferral contributions as Roth deferral contributions, which are after-tax contributions that are also subject to certain IRC limitations.

Participants may also make contributions to the plan in the form of a rollover of funds from another qualified plan.

The Plan sponsor may also make additional discretionary matching or profit-sharing contributions. Effective March 1, 2021, the Plan sponsor initiated an employer matching contribution equal to 100% of the first 4% of a participant's eligible compensation. Employer matching contributions are subject to certain limitations under the IRC. A participant must be employed on the last day of the plan year in order to receive an allocation of the discretionary profit-sharing contribution.

Participant accounts

Each participant's account is credited with the participant's contributions and allocations of the Plan sponsor's contributions and plan earnings and charged with an allocation of administrative expenses. Allocations are based on participants' compensation or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants direct the investments of their account balances into various investment options offered by the Plan.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. DESCRIPTION OF PLAN (CONTINUED)

Vesting

Participants are immediately 100 percent vested in employee salary, rollover, and safe harbor matching and related earnings thereon. Vesting in the Plan sponsor's discretionary matching or profit sharing contribution portion of their accounts, plus actual earnings, thereon, is based on years of service. Participants vest in discretionary contributions, 20 percent after two years of service and another 20 percent per year thereafter, until they become fully vested after six years of service. Participants also become fully vested upon retirement at age 65, death, or permanent disability.

Notes receivable from participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. The notes receivable are secured by the balance in the participant's account and bear interest at a fixed rate that is commensurate with local prevailing rates determined by the plan administrator. The notes generally have a term of five years or less. Loans for the purchase of a principal residence can be paid over a term of 15 years or less. Principal and interest are paid ratably through weekly or biweekly payroll deductions.

Benefit payments

Distributions are payable upon retirement, death, disability, or termination of employment in the form of a lump-sum amount equal to the vested balance of a participant's account. Account balances of less than \$5,000 are automatically distributed upon termination. In-service distributions may be made from a participant's vested account at any time after the attainment of age 59 ½.

Participants may request that all or a portion of their accounts be distributed in the case of severe financial hardship, as defined in the plan document. Benefits may be paid in the form of a lump-sum. The Plan sponsor must approve any such hardship withdrawals.

Forfeitures

If a participant is not fully vested on his or her termination date, the nonvested amount of the account is forfeited. Forfeitures are used to reduce future company contributions or to pay administrative expenses of the Plan. At December 31, 2022 and 2021, forfeited nonvested accounts totaled \$21,266 and \$1,665, respectively. For the year ended December 31, 2021, \$14,555 forfeitures were used to reduce employer contributions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of the Plan are prepared using the accrual method of accounting, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and changes in net assets available for benefits during the year. Accordingly, actual results could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year such adjustments are determined.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment valuation and income recognition

The Plan's investments are held by Fidelity Management Trust Company, the custodian, in various mutual funds. Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan Administrator and Plan fiduciaries determine the Plan's valuation policies utilizing information provided by the investment custodian.

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

Fair value measurements

U.S. GAAP defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under are described as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date

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: Unobservable inputs based on the Plan's assessment of the assumptions that market participants would use in pricing the asset or liability.

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

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2022 and 2021.

Mutual funds: Mutual funds are valued at the daily closing prices as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurements (continued)

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Plan administrator 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.

Assets measured at fair value are based on one or more of the following valuation techniques:

- (a) *Market approach.* Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- (b) *Cost approach.* Amount that would be required to replace the service capacity of an asset (replacement cost); and
- (c) *Income approach.* Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2022 or 2021. If a participant ceases to make loan repayments and the Plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Benefit payments

Benefits are recorded as a deduction from net assets when paid to Plan participants.

Administrative expenses

Certain expenses of maintaining the Plan are paid directly by the Plan sponsor and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment-related expenses are included in net depreciation in fair value of investments.

Subsequent events

The Plan has evaluated subsequent events through October 11, 2023, the date on which these financial statements were available to be issued, and has determined that, there are no subsequent events that require disclosure under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 855 Subsequent Events.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

3. FAIR VALUE MEASUREMENTS

The following table sets forth by level within the fair value hierarchy the Plan's assets at fair value as of December 31, 2022 and 2021:

		at December 31, 2022			
		Level 1	Level 2	Level 3	Total
Investments at fair value:					
Mutual funds		\$ 9,552,291	\$ -	\$ -	\$ 9,552,291

		at December 31, 2021			
		Level 1	Level 2	Level 3	Total
Investments at fair value:					
Mutual funds		\$ 13,557,145	\$ -	\$ -	\$ 13,557,145

During the years ended December 31, 2022 and 2021, there were no transfers between the levels of the fair value hierarchy.

4. INFORMATION PREPARED AND CERTIFIED BY PLAN CUSTODIAN

The following tables summarize investment and other asset information regarding the Plan as of December 31, 2022 and 2021, and for the year ended December 31, 2022, included in the Plan's financial statements and supplemental schedule, that was prepared by or derived from, without audit, information prepared by Fidelity Management Trust Company, the custodian, and furnished to the Plan administrator. The Plan administrator has obtained a certification from the custodian that such information is complete and accurate.

	2022	2021
Mutual funds, total investments	\$ 9,552,291	\$ 13,557,145
Notes receivable from participants	44,731	97,548
Total certified assets	\$ 9,597,022	\$ 13,654,693
Interest and dividend income	\$ 855,749	
Net depreciation in fair value of investments	\$ (3,060,868)	
Interest income on notes receivable from participants	\$ 3,519	

5. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participant's account balances and the amounts reported in the statements of net assets available for benefits.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

6. RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan assets are in investment funds managed by Fidelity Investments, an affiliate of Fidelity Management Trust Company. Fidelity Management Trust Company is the recordkeeper and custodian of the Plan; therefore, these transactions qualify as party-in-interest transactions, as defined under ERISA guidelines. Notes receivable from participants are also party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net depreciation in fair value of investments, as they are paid through revenue-sharing, rather than a direct payment. The plan sponsor pays directly any other fees related to the Plan's operations.

7. PLAN TERMINATION

While it has not expressed any intent to do so, the Plan sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their employer contributions.

8. TAX STATUS

The Plan, as adopted, is a volume submitter plan, which does not require an application or a determination letter from the Internal Revenue Service ("IRS"). The volume submitter plan has received a favorable opinion letter from the IRS dated June 30, 2020, stating that the volume submitter plan is designed in accordance with the applicable sections of the IRC. The Plan has not individually sought its own determination letter.

Although the Plan has been amended since receiving the opinion letter, the Plan administrator and the Plan's tax counsel believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore, believe the Plan is qualified and the related trust is tax-exempt.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) 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, 2022 and 2021, there are no uncertain tax positions taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods.

9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

Schedule H Part I and II of Form 5500 are in substantial agreement with the statements of net assets available for benefits as of December 31, 2022 and 2021, and the statement of changes in net assets available for benefits for the year ended December 31, 2022, and there are no reconciling items.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

10. QUALIFIED NONELECTIVE AND OTHER CONTRIBUTIONS

During the Plan year ended December 31, 2022, Plan management identified that certain employee and employer contributions were calculated inconsistent with participant elections and employer match contributions as defined by the Plan document. A qualified nonelective contribution ("QNEC") of \$6,623 to participant accounts for missed contributions was made subsequent to year-end. The QNEC is immediately 100% vested to the employees. The contribution will be made in accordance with IRS regulations and does not affect the tax status of the Plan. The amount is reflected as other employer contributions receivable in the statements of net assets available for benefits at December 31, 2022.

11. DELINQUENT PARTICIPANT CONTRIBUTIONS

During the Plan year ended December 31, 2022, the Plan sponsor failed to remit certain participant contributions and employer contributions aggregating \$9,461 to the Plan on a timely basis as prescribed in the applicable Department of Labor ("DOL") regulations. Defined contribution plans must remit employee contributions to the Plan as soon as they can be reasonably segregated from the employer's general assets. Failure to meet all of ERISA's requirements can result in the imposition of substantial fines, excise taxes, or other penalties. The Plan intends to take remedial actions under the Voluntary Compliance Program of the DOL and make the necessary remittance to the Plan in 2023. An amount of \$7,213 for delinquent participant contributions and \$2,248 for employer match contributions not remitted have been reflected as participant contribution receivable and employer contribution receivable, respectively, in the statements of net assets available for benefits at December 31, 2022.

During the Plan year ended December 31, 2022, the Plan sponsor erroneously contributed participant and employer match contributions in excess of participant deferrals and match calculations. The participant contribution error of \$7,094 has been reflected as a reduction of participants contributions on the statement of changes in net assets available for benefits and reflected as excess contributions payable in the statements of net assets available for benefits at December 31, 2022. The excess employer match contribution of \$1,896 will be forfeited from participant account balances in 2023 and has been reflected in employer contribution receivable in the statements of net assets available for benefits at December 31, 2022.

Plan management believes that this matter will not have a material effect on the Plan's financial statements. The Plan sponsor computed the lost earnings on these delinquent participant contributions and employer match contributions and other errors described above, and will make corrections net or inclusive of earnings to the Plan in 2023.

SUPPLEMENTAL SCHEDULES

STERLING BAY, LLC 401(k) PLAN
SCHEDULE H, LINE 4a - DELINQUENT PARTICIPANT CONTRIBUTIONS
DECEMBER 31, 2022
EIN: 36-4823717
PN: 001

		<u>Total that constitutes nonexempt prohibited transactions</u>			
				Contributions corrected or pending correction in VFCP	Total pending and fully corrected under VFCP and PTE 2002-51
<u>Year</u>		<u>Contributions not corrected</u>	<u>Contributions corrected outside of VFCP</u>		
2022	✓	\$ <u>-</u>	\$ <u>9,461</u>	\$ <u>-</u>	\$ <u>-</u>

See independent auditor's report.

STERLING BAY, LLC 401(k) PLAN
SCHEDULE H, LINE 4i - ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2022
EIN: 36-4823717
PN: 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investments	(d) Cost	(e) Current Value
		Mutual Funds:		
	Allspring	Special Small Cap Value Fund	**	\$ 6,210
	American Century	Mid Cap Value Fund	**	30,995
	American Funds	American Mutual Fund	**	82,891
	Cohen & Steers	Realty Shares Fund	**	47,380
*	Fidelity	Fidelity U.S. Bond Index	**	27,809
*	Fidelity	Fidelity 500 Index	**	700,240
*	Fidelity	Fidelity Mid Cap Index	**	88,252
*	Fidelity	Fidelity Small Cap Index	**	77,074
*	Fidelity	Fidelity Inflation-Protected Bond Index	**	93,404
*	Fidelity	Fidelity Blue Chip Growth	**	348,031
*	Fidelity	Fidelity Freedom 2025	**	358,338
*	Fidelity	Fidelity Freedom 2030	**	185,394
*	Fidelity	Fidelity Freedom 2030	**	807,084
*	Fidelity	Fidelity Freedom 2040	**	1,242,789
*	Fidelity	Fidelity Freedom 2045	**	2,004,345
*	Fidelity	Fidelity Freedom 2050	**	1,600,142
*	Fidelity	Fidelity Freedom 2055	**	992,117
*	Fidelity	Fidelity Freedom 2060	**	434,434
*	Fidelity	Fidelity Freedom 2065	**	75,958
*	Fidelity	Fidelity Government Money Market	**	21,756
*	Fidelity	Global ex U.S. Index Fund	**	62,227
*	Fidelity	Fidelity International Capital Appreciation Fund	**	11,212
*	Fidelity	Total Bond Fund	**	5,508
	Janus Henderson	Janus Henderson Triton	**	19,810
	JPMorgan	Government Bond Fund	**	722
	MFS	MFS Massachusetts Investors Trust	**	22,310
	MFS	MFS Mid Cap Growth	**	151,880
	RBC	RBC Emerging Markets Equity	**	<u>53,979</u>
				9,552,291
		Participant loans with interest rates ranging from		
*	Participants	5.25% to 8.25%		<u>44,731</u>
	Total			<u><u>\$ 9,597,022</u></u>

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

** Cost information not required for participant directed investments.

See independent auditor's report.

STERLING BAY, LLC 401(k) PLAN
FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES
YEAR ENDED DECEMBER 31, 2022

**STERLING BAY, LLC 401(k) PLAN
FOR THE YEAR ENDED DECEMBER 31, 2022**

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
Sterling Bay, LLC 401(k) Plan

Scope and Nature of ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the financial statements of Sterling Bay, LLC 401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) ("ERISA Section 103(a)(3)(C) audit"). The financial statements comprise the statement of net assets available for benefits as of December 31, 2022, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan ("investment information") by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA ("qualified institution").

Management has obtained a certification from a qualified institution as of December 31, 2022, and for the year then ended, stating that the certified investment information, as described in Note 4 to the financial statements is complete and accurate.

Opinion

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section -

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audit 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 the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) 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 accounting principles generally accepted in the United States of America, 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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 the Plan's ability to continue as a going concern for one year after the date 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

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 the 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 the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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.

Supplemental Information Required by ERISA

The supplemental schedule H, line 4a - delinquent participant contributions and schedule H, line 4i - assets (held at end of year) 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 included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit 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. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including its form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Supplemental Information Required by ERISA (Continued)

In our opinion -

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Other Matter - Auditor's Report on the 2021 Financial Statements

The predecessor auditor performed an audit of the financial statements of the Sterling Bay, LLC 401(k) Plan 2021. In accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the prior year audit did not extend to any statements or information related to assets held for investment of the Plan that were certified by a qualified institution. Their report dated December 5, 2022, indicated that (a) the amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, and (b) the information in the 2021 financial statements related to assets held by and certified to by a qualified institution that management determined meets the requirements of ERISA Section 103(a)(3)(C). Their report also indicated that the form and content of the 2021 supplemental schedule, other than the information in the 2021 supplemental schedule that agreed to or is derived from the certified investment information, was presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA; and the information in the 2021 supplemental schedule related to assets held by and certified by an institution that management determines meets the requirements of ERISA Section 103(a)(3)(C).



CERTIFIED PUBLIC ACCOUNTANTS

Chicago, Illinois
October 11, 2023

STERLING BAY, LLC 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2022 AND 2021

	2022	2021
Assets:		
Investments, at fair value	\$ <u>9,552,291</u>	\$ <u>13,557,145</u>
Receivables:		
Employer contribution	30,331	2,033
Other employer contribution	6,623	-
Participant contribution	95,844	4,638
Notes receivable from participants	<u>44,731</u>	<u>97,548</u>
Total receivables	<u>177,529</u>	<u>104,219</u>
Total assets	9,729,820	13,661,364
Liabilities:		
Excess contributions payable	<u>7,094</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	\$ <u><u>9,722,726</u></u>	\$ <u><u>13,661,364</u></u>

See accompanying notes to financial statements.

STERLING BAY, LLC 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2022

Additions to (deductions from) net assets attributed to:

Investment income (loss):

Interest and dividends income	\$ 855,749
Net depreciation in fair value of investments	<u>(3,060,868)</u>

Investment loss, net	(2,205,119)
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Interest income on notes receivable from participants	3,519
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Contributions:

Participants	1,346,255
Employer	586,656
Rollover	<u>350,380</u>

Total contributions	<u>2,283,291</u>
---------------------	------------------

Total additions	81,691
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Deductions from net assets attributed to:

Benefits paid to participants	3,966,278
Administrative expenses	<u>54,051</u>

Total deductions	<u>4,020,329</u>
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Net decrease in net assets available for benefits	(3,938,638)
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Net assets available for benefits - beginning	<u>13,661,364</u>
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NET ASSETS AVAILABLE FOR BENEFITS - ENDING	<u>\$ 9,722,726</u>
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See accompanying notes to financial statements.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. DESCRIPTION OF PLAN

The following description of Sterling Bay, LLC 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Sterling Bay, LLC and Sterling Bay Realty, LLC (collectively, the "Plan sponsor"). The Plan does not cover union employees or nonresident aliens. All employees who have completed 30 days of service are eligible to participate in the Plan on the first day of the month after the eligibility requirement is met. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective May 19, 2022, the Plan was amended and restated to include new provisions and changes to the IRC. There were no significant changes to the provisions of the Plan as a result of this restatement.

Administration

The Plan administrator and fiduciaries are responsible for oversight of the Plan and determine the appropriateness of the Plan's investment offerings and monitor investment performance. Fidelity Management Trust Plan sponsor is the Plan's custodian, and Fidelity Workplace Services, LLC is the Plan's recordkeeper.

Contributions

The Plan provides for employee salary deferral contributions subject to maximum tax-deferred limitations established by the Internal Revenue Code ("IRC"). Participants who have attained age 50 may make catch-up contributions in addition to their regular deferral contributions. Participants may designate all or a portion of their deferral contributions as Roth deferral contributions, which are after-tax contributions that are also subject to certain IRC limitations.

Participants may also make contributions to the plan in the form of a rollover of funds from another qualified plan.

The Plan sponsor may also make additional discretionary matching or profit-sharing contributions. Effective March 1, 2021, the Plan sponsor initiated an employer matching contribution equal to 100% of the first 4% of a participant's eligible compensation. Employer matching contributions are subject to certain limitations under the IRC. A participant must be employed on the last day of the plan year in order to receive an allocation of the discretionary profit-sharing contribution.

Participant accounts

Each participant's account is credited with the participant's contributions and allocations of the Plan sponsor's contributions and plan earnings and charged with an allocation of administrative expenses. Allocations are based on participants' compensation or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants direct the investments of their account balances into various investment options offered by the Plan.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. DESCRIPTION OF PLAN (CONTINUED)

Vesting

Participants are immediately 100 percent vested in employee salary, rollover, and safe harbor matching and related earnings thereon. Vesting in the Plan sponsor's discretionary matching or profit sharing contribution portion of their accounts, plus actual earnings, thereon, is based on years of service. Participants vest in discretionary contributions, 20 percent after two years of service and another 20 percent per year thereafter, until they become fully vested after six years of service. Participants also become fully vested upon retirement at age 65, death, or permanent disability.

Notes receivable from participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. The notes receivable are secured by the balance in the participant's account and bear interest at a fixed rate that is commensurate with local prevailing rates determined by the plan administrator. The notes generally have a term of five years or less. Loans for the purchase of a principal residence can be paid over a term of 15 years or less. Principal and interest are paid ratably through weekly or biweekly payroll deductions.

Benefit payments

Distributions are payable upon retirement, death, disability, or termination of employment in the form of a lump-sum amount equal to the vested balance of a participant's account. Account balances of less than \$5,000 are automatically distributed upon termination. In-service distributions may be made from a participant's vested account at any time after the attainment of age 59 ½.

Participants may request that all or a portion of their accounts be distributed in the case of severe financial hardship, as defined in the plan document. Benefits may be paid in the form of a lump-sum. The Plan sponsor must approve any such hardship withdrawals.

Forfeitures

If a participant is not fully vested on his or her termination date, the nonvested amount of the account is forfeited. Forfeitures are used to reduce future company contributions or to pay administrative expenses of the Plan. At December 31, 2022 and 2021, forfeited nonvested accounts totaled \$21,266 and \$1,665, respectively. For the year ended December 31, 2021, \$14,555 forfeitures were used to reduce employer contributions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of the Plan are prepared using the accrual method of accounting, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and changes in net assets available for benefits during the year. Accordingly, actual results could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year such adjustments are determined.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment valuation and income recognition

The Plan's investments are held by Fidelity Management Trust Company, the custodian, in various mutual funds. Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan Administrator and Plan fiduciaries determine the Plan's valuation policies utilizing information provided by the investment custodian.

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

Fair value measurements

U.S. GAAP defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under are described as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date

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: Unobservable inputs based on the Plan's assessment of the assumptions that market participants would use in pricing the asset or liability.

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

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2022 and 2021.

Mutual funds: Mutual funds are valued at the daily closing prices as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurements (continued)

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Plan administrator 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.

Assets measured at fair value are based on one or more of the following valuation techniques:

- (a) *Market approach.* Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- (b) *Cost approach.* Amount that would be required to replace the service capacity of an asset (replacement cost); and
- (c) *Income approach.* Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2022 or 2021. If a participant ceases to make loan repayments and the Plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Benefit payments

Benefits are recorded as a deduction from net assets when paid to Plan participants.

Administrative expenses

Certain expenses of maintaining the Plan are paid directly by the Plan sponsor and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment-related expenses are included in net depreciation in fair value of investments.

Subsequent events

The Plan has evaluated subsequent events through October 11, 2023, the date on which these financial statements were available to be issued, and has determined that, there are no subsequent events that require disclosure under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 855 Subsequent Events.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

3. FAIR VALUE MEASUREMENTS

The following table sets forth by level within the fair value hierarchy the Plan's assets at fair value as of December 31, 2022 and 2021:

		at December 31, 2022			
		Level 1	Level 2	Level 3	Total
Investments at fair value:					
Mutual funds		\$ 9,552,291	\$ -	\$ -	\$ 9,552,291

		at December 31, 2021			
		Level 1	Level 2	Level 3	Total
Investments at fair value:					
Mutual funds		\$ 13,557,145	\$ -	\$ -	\$ 13,557,145

During the years ended December 31, 2022 and 2021, there were no transfers between the levels of the fair value hierarchy.

4. INFORMATION PREPARED AND CERTIFIED BY PLAN CUSTODIAN

The following tables summarize investment and other asset information regarding the Plan as of December 31, 2022 and 2021, and for the year ended December 31, 2022, included in the Plan's financial statements and supplemental schedule, that was prepared by or derived from, without audit, information prepared by Fidelity Management Trust Company, the custodian, and furnished to the Plan administrator. The Plan administrator has obtained a certification from the custodian that such information is complete and accurate.

	2022	2021
Mutual funds, total investments	\$ 9,552,291	\$ 13,557,145
Notes receivable from participants	44,731	97,548
Total certified assets	\$ 9,597,022	\$ 13,654,693
Interest and dividend income	\$ 855,749	
Net depreciation in fair value of investments	\$ (3,060,868)	
Interest income on notes receivable from participants	\$ 3,519	

5. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participant's account balances and the amounts reported in the statements of net assets available for benefits.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

6. RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan assets are in investment funds managed by Fidelity Investments, an affiliate of Fidelity Management Trust Company. Fidelity Management Trust Company is the recordkeeper and custodian of the Plan; therefore, these transactions qualify as party-in-interest transactions, as defined under ERISA guidelines. Notes receivable from participants are also party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net depreciation in fair value of investments, as they are paid through revenue-sharing, rather than a direct payment. The plan sponsor pays directly any other fees related to the Plan's operations.

7. PLAN TERMINATION

While it has not expressed any intent to do so, the Plan sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their employer contributions.

8. TAX STATUS

The Plan, as adopted, is a volume submitter plan, which does not require an application or a determination letter from the Internal Revenue Service ("IRS"). The volume submitter plan has received a favorable opinion letter from the IRS dated June 30, 2020, stating that the volume submitter plan is designed in accordance with the applicable sections of the IRC. The Plan has not individually sought its own determination letter.

Although the Plan has been amended since receiving the opinion letter, the Plan administrator and the Plan's tax counsel believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore, believe the Plan is qualified and the related trust is tax-exempt.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) 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, 2022 and 2021, there are no uncertain tax positions taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods.

9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

Schedule H Part I and II of Form 5500 are in substantial agreement with the statements of net assets available for benefits as of December 31, 2022 and 2021, and the statement of changes in net assets available for benefits for the year ended December 31, 2022, and there are no reconciling items.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

10. QUALIFIED NONELECTIVE AND OTHER CONTRIBUTIONS

During the Plan year ended December 31, 2022, Plan management identified that certain employee and employer contributions were calculated inconsistent with participant elections and employer match contributions as defined by the Plan document. A qualified nonelective contribution ("QNEC") of \$6,623 to participant accounts for missed contributions was made subsequent to year-end. The QNEC is immediately 100% vested to the employees. The contribution will be made in accordance with IRS regulations and does not affect the tax status of the Plan. The amount is reflected as other employer contributions receivable in the statements of net assets available for benefits at December 31, 2022.

11. DELINQUENT PARTICIPANT CONTRIBUTIONS

During the Plan year ended December 31, 2022, the Plan sponsor failed to remit certain participant contributions and employer contributions aggregating \$9,461 to the Plan on a timely basis as prescribed in the applicable Department of Labor ("DOL") regulations. Defined contribution plans must remit employee contributions to the Plan as soon as they can be reasonably segregated from the employer's general assets. Failure to meet all of ERISA's requirements can result in the imposition of substantial fines, excise taxes, or other penalties. The Plan intends to take remedial actions under the Voluntary Compliance Program of the DOL and make the necessary remittance to the Plan in 2023. An amount of \$7,213 for delinquent participant contributions and \$2,248 for employer match contributions not remitted have been reflected as participant contribution receivable and employer contribution receivable, respectively, in the statements of net assets available for benefits at December 31, 2022.

During the Plan year ended December 31, 2022, the Plan sponsor erroneously contributed participant and employer match contributions in excess of participant deferrals and match calculations. The participant contribution error of \$7,094 has been reflected as a reduction of participants contributions on the statement of changes in net assets available for benefits and reflected as excess contributions payable in the statements of net assets available for benefits at December 31, 2022. The excess employer match contribution of \$1,896 will be forfeited from participant account balances in 2023 and has been reflected in employer contribution receivable in the statements of net assets available for benefits at December 31, 2022.

Plan management believes that this matter will not have a material effect on the Plan's financial statements. The Plan sponsor computed the lost earnings on these delinquent participant contributions and employer match contributions and other errors described above, and will make corrections net or inclusive of earnings to the Plan in 2023.

SUPPLEMENTAL SCHEDULES

STERLING BAY, LLC 401(k) PLAN
SCHEDULE H, LINE 4a - DELINQUENT PARTICIPANT CONTRIBUTIONS
DECEMBER 31, 2022
EIN: 36-4823717
PN: 001

		<u>Total that constitutes nonexempt prohibited transactions</u>			
				Contributions corrected or pending correction in	Total pending and fully corrected under VFCP and PTE 2002-51
<u>Year</u>		<u>Contributions not corrected</u>	<u>Contributions corrected outside of VFCP</u>	<u>VFCP</u>	
2022	✓	\$ <u>-</u>	\$ <u>9,461</u>	\$ <u>-</u>	\$ <u>-</u>

See independent auditor's report.

STERLING BAY, LLC 401(k) PLAN
SCHEDULE H, LINE 4i - ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2022
EIN: 36-4823717
PN: 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investments	(d) Cost	(e) Current Value
		Mutual Funds:		
	Allspring	Special Small Cap Value Fund	**	\$ 6,210
	American Century	Mid Cap Value Fund	**	30,995
	American Funds	American Mutual Fund	**	82,891
	Cohen & Steers	Realty Shares Fund	**	47,380
*	Fidelity	Fidelity U.S. Bond Index	**	27,809
*	Fidelity	Fidelity 500 Index	**	700,240
*	Fidelity	Fidelity Mid Cap Index	**	88,252
*	Fidelity	Fidelity Small Cap Index	**	77,074
*	Fidelity	Fidelity Inflation-Protected Bond Index	**	93,404
*	Fidelity	Fidelity Blue Chip Growth	**	348,031
*	Fidelity	Fidelity Freedom 2025	**	358,338
*	Fidelity	Fidelity Freedom 2030	**	185,394
*	Fidelity	Fidelity Freedom 2030	**	807,084
*	Fidelity	Fidelity Freedom 2040	**	1,242,789
*	Fidelity	Fidelity Freedom 2045	**	2,004,345
*	Fidelity	Fidelity Freedom 2050	**	1,600,142
*	Fidelity	Fidelity Freedom 2055	**	992,117
*	Fidelity	Fidelity Freedom 2060	**	434,434
*	Fidelity	Fidelity Freedom 2065	**	75,958
*	Fidelity	Fidelity Government Money Market	**	21,756
*	Fidelity	Global ex U.S. Index Fund	**	62,227
*	Fidelity	Fidelity International Capital Appreciation Fund	**	11,212
*	Fidelity	Total Bond Fund	**	5,508
	Janus Henderson	Janus Henderson Triton	**	19,810
	JPMorgan	Government Bond Fund	**	722
	MFS	MFS Massachusetts Investors Trust	**	22,310
	MFS	MFS Mid Cap Growth	**	151,880
	RBC	RBC Emerging Markets Equity	**	<u>53,979</u>
				9,552,291
		Participant loans with interest rates ranging from		
*	Participants	5.25% to 8.25%		<u>44,731</u>
	Total			<u><u>\$ 9,597,022</u></u>

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

** Cost information not required for participant directed investments.

See independent auditor's report.

STERLING BAY, LLC 401(k) PLAN
FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES
YEAR ENDED DECEMBER 31, 2022

**STERLING BAY, LLC 401(k) PLAN
FOR THE YEAR ENDED DECEMBER 31, 2022**

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
Sterling Bay, LLC 401(k) Plan

Scope and Nature of ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the financial statements of Sterling Bay, LLC 401(k) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) ("ERISA Section 103(a)(3)(C) audit"). The financial statements comprise the statement of net assets available for benefits as of December 31, 2022, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan ("investment information") by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA ("qualified institution").

Management has obtained a certification from a qualified institution as of December 31, 2022, and for the year then ended, stating that the certified investment information, as described in Note 4 to the financial statements is complete and accurate.

Opinion

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section -

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audit 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 the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) 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 accounting principles generally accepted in the United States of America, 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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 the Plan's ability to continue as a going concern for one year after the date 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

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 the 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 the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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.

Supplemental Information Required by ERISA

The supplemental schedule H, line 4a - delinquent participant contributions and schedule H, line 4i - assets (held at end of year) 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 included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit 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. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including its form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Supplemental Information Required by ERISA (Continued)

In our opinion -

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Other Matter - Auditor's Report on the 2021 Financial Statements

The predecessor auditor performed an audit of the financial statements of the Sterling Bay, LLC 401(k) Plan 2021. In accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the prior year audit did not extend to any statements or information related to assets held for investment of the Plan that were certified by a qualified institution. Their report dated December 5, 2022, indicated that (a) the amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, and (b) the information in the 2021 financial statements related to assets held by and certified to by a qualified institution that management determined meets the requirements of ERISA Section 103(a)(3)(C). Their report also indicated that the form and content of the 2021 supplemental schedule, other than the information in the 2021 supplemental schedule that agreed to or is derived from the certified investment information, was presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA; and the information in the 2021 supplemental schedule related to assets held by and certified by an institution that management determines meets the requirements of ERISA Section 103(a)(3)(C).


CERTIFIED PUBLIC ACCOUNTANTS

Chicago, Illinois
October 11, 2023

STERLING BAY, LLC 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2022 AND 2021

	2022	2021
Assets:		
Investments, at fair value	\$ <u>9,552,291</u>	\$ <u>13,557,145</u>
Receivables:		
Employer contribution	30,331	2,033
Other employer contribution	6,623	-
Participant contribution	95,844	4,638
Notes receivable from participants	<u>44,731</u>	<u>97,548</u>
Total receivables	<u>177,529</u>	<u>104,219</u>
Total assets	9,729,820	13,661,364
Liabilities:		
Excess contributions payable	<u>7,094</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	\$ <u><u>9,722,726</u></u>	\$ <u><u>13,661,364</u></u>

See accompanying notes to financial statements.

STERLING BAY, LLC 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2022

Additions to (deductions from) net assets attributed to:

Investment income (loss):

Interest and dividends income	\$	855,749
Net depreciation in fair value of investments		<u>(3,060,868)</u>

Investment loss, net		(2,205,119)
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Interest income on notes receivable from participants		3,519
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Contributions:

Participants		1,346,255
Employer		586,656
Rollover		<u>350,380</u>

Total contributions		<u>2,283,291</u>
---------------------	--	------------------

Total additions		81,691
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Deductions from net assets attributed to:

Benefits paid to participants		3,966,278
Administrative expenses		<u>54,051</u>

Total deductions		<u>4,020,329</u>
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Net decrease in net assets available for benefits		(3,938,638)
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Net assets available for benefits - beginning		<u>13,661,364</u>
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NET ASSETS AVAILABLE FOR BENEFITS - ENDING		<u>\$ 9,722,726</u>
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See accompanying notes to financial statements.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. DESCRIPTION OF PLAN

The following description of Sterling Bay, LLC 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Sterling Bay, LLC and Sterling Bay Realty, LLC (collectively, the "Plan sponsor"). The Plan does not cover union employees or nonresident aliens. All employees who have completed 30 days of service are eligible to participate in the Plan on the first day of the month after the eligibility requirement is met. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective May 19, 2022, the Plan was amended and restated to include new provisions and changes to the IRC. There were no significant changes to the provisions of the Plan as a result of this restatement.

Administration

The Plan administrator and fiduciaries are responsible for oversight of the Plan and determine the appropriateness of the Plan's investment offerings and monitor investment performance. Fidelity Management Trust Plan sponsor is the Plan's custodian, and Fidelity Workplace Services, LLC is the Plan's recordkeeper.

Contributions

The Plan provides for employee salary deferral contributions subject to maximum tax-deferred limitations established by the Internal Revenue Code ("IRC"). Participants who have attained age 50 may make catch-up contributions in addition to their regular deferral contributions. Participants may designate all or a portion of their deferral contributions as Roth deferral contributions, which are after-tax contributions that are also subject to certain IRC limitations.

Participants may also make contributions to the plan in the form of a rollover of funds from another qualified plan.

The Plan sponsor may also make additional discretionary matching or profit-sharing contributions. Effective March 1, 2021, the Plan sponsor initiated an employer matching contribution equal to 100% of the first 4% of a participant's eligible compensation. Employer matching contributions are subject to certain limitations under the IRC. A participant must be employed on the last day of the plan year in order to receive an allocation of the discretionary profit-sharing contribution.

Participant accounts

Each participant's account is credited with the participant's contributions and allocations of the Plan sponsor's contributions and plan earnings and charged with an allocation of administrative expenses. Allocations are based on participants' compensation or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants direct the investments of their account balances into various investment options offered by the Plan.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. DESCRIPTION OF PLAN (CONTINUED)

Vesting

Participants are immediately 100 percent vested in employee salary, rollover, and safe harbor matching and related earnings thereon. Vesting in the Plan sponsor's discretionary matching or profit sharing contribution portion of their accounts, plus actual earnings, thereon, is based on years of service. Participants vest in discretionary contributions, 20 percent after two years of service and another 20 percent per year thereafter, until they become fully vested after six years of service. Participants also become fully vested upon retirement at age 65, death, or permanent disability.

Notes receivable from participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. The notes receivable are secured by the balance in the participant's account and bear interest at a fixed rate that is commensurate with local prevailing rates determined by the plan administrator. The notes generally have a term of five years or less. Loans for the purchase of a principal residence can be paid over a term of 15 years or less. Principal and interest are paid ratably through weekly or biweekly payroll deductions.

Benefit payments

Distributions are payable upon retirement, death, disability, or termination of employment in the form of a lump-sum amount equal to the vested balance of a participant's account. Account balances of less than \$5,000 are automatically distributed upon termination. In-service distributions may be made from a participant's vested account at any time after the attainment of age 59 ½.

Participants may request that all or a portion of their accounts be distributed in the case of severe financial hardship, as defined in the plan document. Benefits may be paid in the form of a lump-sum. The Plan sponsor must approve any such hardship withdrawals.

Forfeitures

If a participant is not fully vested on his or her termination date, the nonvested amount of the account is forfeited. Forfeitures are used to reduce future company contributions or to pay administrative expenses of the Plan. At December 31, 2022 and 2021, forfeited nonvested accounts totaled \$21,266 and \$1,665, respectively. For the year ended December 31, 2021, \$14,555 forfeitures were used to reduce employer contributions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of the Plan are prepared using the accrual method of accounting, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and changes in net assets available for benefits during the year. Accordingly, actual results could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year such adjustments are determined.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment valuation and income recognition

The Plan's investments are held by Fidelity Management Trust Company, the custodian, in various mutual funds. Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan Administrator and Plan fiduciaries determine the Plan's valuation policies utilizing information provided by the investment custodian.

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

Fair value measurements

U.S. GAAP defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under are described as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date

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: Unobservable inputs based on the Plan's assessment of the assumptions that market participants would use in pricing the asset or liability.

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

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2022 and 2021.

Mutual funds: Mutual funds are valued at the daily closing prices as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurements (continued)

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Plan administrator 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.

Assets measured at fair value are based on one or more of the following valuation techniques:

- (a) *Market approach.* Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- (b) *Cost approach.* Amount that would be required to replace the service capacity of an asset (replacement cost); and
- (c) *Income approach.* Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2022 or 2021. If a participant ceases to make loan repayments and the Plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Benefit payments

Benefits are recorded as a deduction from net assets when paid to Plan participants.

Administrative expenses

Certain expenses of maintaining the Plan are paid directly by the Plan sponsor and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment-related expenses are included in net depreciation in fair value of investments.

Subsequent events

The Plan has evaluated subsequent events through October 11, 2023, the date on which these financial statements were available to be issued, and has determined that, there are no subsequent events that require disclosure under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 855 Subsequent Events.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

3. FAIR VALUE MEASUREMENTS

The following table sets forth by level within the fair value hierarchy the Plan's assets at fair value as of December 31, 2022 and 2021:

		at December 31, 2022			
		Level 1	Level 2	Level 3	Total
Investments at fair value:					
Mutual funds		\$ 9,552,291	\$ -	\$ -	\$ 9,552,291

		at December 31, 2021			
		Level 1	Level 2	Level 3	Total
Investments at fair value:					
Mutual funds		\$ 13,557,145	\$ -	\$ -	\$ 13,557,145

During the years ended December 31, 2022 and 2021, there were no transfers between the levels of the fair value hierarchy.

4. INFORMATION PREPARED AND CERTIFIED BY PLAN CUSTODIAN

The following tables summarize investment and other asset information regarding the Plan as of December 31, 2022 and 2021, and for the year ended December 31, 2022, included in the Plan's financial statements and supplemental schedule, that was prepared by or derived from, without audit, information prepared by Fidelity Management Trust Company, the custodian, and furnished to the Plan administrator. The Plan administrator has obtained a certification from the custodian that such information is complete and accurate.

	2022	2021
Mutual funds, total investments	\$ 9,552,291	\$ 13,557,145
Notes receivable from participants	44,731	97,548
Total certified assets	\$ 9,597,022	\$ 13,654,693
Interest and dividend income	\$ 855,749	
Net depreciation in fair value of investments	\$ (3,060,868)	
Interest income on notes receivable from participants	\$ 3,519	

5. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participant's account balances and the amounts reported in the statements of net assets available for benefits.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

6. RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan assets are in investment funds managed by Fidelity Investments, an affiliate of Fidelity Management Trust Company. Fidelity Management Trust Company is the recordkeeper and custodian of the Plan; therefore, these transactions qualify as party-in-interest transactions, as defined under ERISA guidelines. Notes receivable from participants are also party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net depreciation in fair value of investments, as they are paid through revenue-sharing, rather than a direct payment. The plan sponsor pays directly any other fees related to the Plan's operations.

7. PLAN TERMINATION

While it has not expressed any intent to do so, the Plan sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their employer contributions.

8. TAX STATUS

The Plan, as adopted, is a volume submitter plan, which does not require an application or a determination letter from the Internal Revenue Service ("IRS"). The volume submitter plan has received a favorable opinion letter from the IRS dated June 30, 2020, stating that the volume submitter plan is designed in accordance with the applicable sections of the IRC. The Plan has not individually sought its own determination letter.

Although the Plan has been amended since receiving the opinion letter, the Plan administrator and the Plan's tax counsel believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore, believe the Plan is qualified and the related trust is tax-exempt.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) 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, 2022 and 2021, there are no uncertain tax positions taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods.

9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

Schedule H Part I and II of Form 5500 are in substantial agreement with the statements of net assets available for benefits as of December 31, 2022 and 2021, and the statement of changes in net assets available for benefits for the year ended December 31, 2022, and there are no reconciling items.

STERLING BAY, LLC 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

10. QUALIFIED NONELECTIVE AND OTHER CONTRIBUTIONS

During the Plan year ended December 31, 2022, Plan management identified that certain employee and employer contributions were calculated inconsistent with participant elections and employer match contributions as defined by the Plan document. A qualified nonelective contribution ("QNEC") of \$6,623 to participant accounts for missed contributions was made subsequent to year-end. The QNEC is immediately 100% vested to the employees. The contribution will be made in accordance with IRS regulations and does not affect the tax status of the Plan. The amount is reflected as other employer contributions receivable in the statements of net assets available for benefits at December 31, 2022.

11. DELINQUENT PARTICIPANT CONTRIBUTIONS

During the Plan year ended December 31, 2022, the Plan sponsor failed to remit certain participant contributions and employer contributions aggregating \$9,461 to the Plan on a timely basis as prescribed in the applicable Department of Labor ("DOL") regulations. Defined contribution plans must remit employee contributions to the Plan as soon as they can be reasonably segregated from the employer's general assets. Failure to meet all of ERISA's requirements can result in the imposition of substantial fines, excise taxes, or other penalties. The Plan intends to take remedial actions under the Voluntary Compliance Program of the DOL and make the necessary remittance to the Plan in 2023. An amount of \$7,213 for delinquent participant contributions and \$2,248 for employer match contributions not remitted have been reflected as participant contribution receivable and employer contribution receivable, respectively, in the statements of net assets available for benefits at December 31, 2022.

During the Plan year ended December 31, 2022, the Plan sponsor erroneously contributed participant and employer match contributions in excess of participant deferrals and match calculations. The participant contribution error of \$7,094 has been reflected as a reduction of participants contributions on the statement of changes in net assets available for benefits and reflected as excess contributions payable in the statements of net assets available for benefits at December 31, 2022. The excess employer match contribution of \$1,896 will be forfeited from participant account balances in 2023 and has been reflected in employer contribution receivable in the statements of net assets available for benefits at December 31, 2022.

Plan management believes that this matter will not have a material effect on the Plan's financial statements. The Plan sponsor computed the lost earnings on these delinquent participant contributions and employer match contributions and other errors described above, and will make corrections net or inclusive of earnings to the Plan in 2023.

SUPPLEMENTAL SCHEDULES

STERLING BAY, LLC 401(k) PLAN
SCHEDULE H, LINE 4a - DELINQUENT PARTICIPANT CONTRIBUTIONS
DECEMBER 31, 2022
EIN: 36-4823717
PN: 001

		<u>Total that constitutes nonexempt prohibited transactions</u>			
				Contributions corrected or pending correction in	Total pending and fully corrected under VFCP and PTE 2002-51
<u>Year</u>		<u>Contributions not corrected</u>	<u>Contributions corrected outside of VFCP</u>	<u>VFCP</u>	
2022	✓	\$ <u>-</u>	\$ <u>9,461</u>	\$ <u>-</u>	\$ <u>-</u>

See independent auditor's report.

STERLING BAY, LLC 401(k) PLAN
SCHEDULE H, LINE 4i - ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2022
EIN: 36-4823717
PN: 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investments	(d) Cost	(e) Current Value
		Mutual Funds:		
	Allspring	Special Small Cap Value Fund	**	\$ 6,210
	American Century	Mid Cap Value Fund	**	30,995
	American Funds	American Mutual Fund	**	82,891
	Cohen & Steers	Realty Shares Fund	**	47,380
*	Fidelity	Fidelity U.S. Bond Index	**	27,809
*	Fidelity	Fidelity 500 Index	**	700,240
*	Fidelity	Fidelity Mid Cap Index	**	88,252
*	Fidelity	Fidelity Small Cap Index	**	77,074
*	Fidelity	Fidelity Inflation-Protected Bond Index	**	93,404
*	Fidelity	Fidelity Blue Chip Growth	**	348,031
*	Fidelity	Fidelity Freedom 2025	**	358,338
*	Fidelity	Fidelity Freedom 2030	**	185,394
*	Fidelity	Fidelity Freedom 2030	**	807,084
*	Fidelity	Fidelity Freedom 2040	**	1,242,789
*	Fidelity	Fidelity Freedom 2045	**	2,004,345
*	Fidelity	Fidelity Freedom 2050	**	1,600,142
*	Fidelity	Fidelity Freedom 2055	**	992,117
*	Fidelity	Fidelity Freedom 2060	**	434,434
*	Fidelity	Fidelity Freedom 2065	**	75,958
*	Fidelity	Fidelity Government Money Market	**	21,756
*	Fidelity	Global ex U.S. Index Fund	**	62,227
*	Fidelity	Fidelity International Capital Appreciation Fund	**	11,212
*	Fidelity	Total Bond Fund	**	5,508
	Janus Henderson	Janus Henderson Triton	**	19,810
	JPMorgan	Government Bond Fund	**	722
	MFS	MFS Massachusetts Investors Trust	**	22,310
	MFS	MFS Mid Cap Growth	**	151,880
	RBC	RBC Emerging Markets Equity	**	<u>53,979</u>
				9,552,291
		Participant loans with interest rates ranging from		
*	Participants	5.25% to 8.25%		<u>44,731</u>
	Total			<u><u>\$ 9,597,022</u></u>

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

** Cost information not required for participant directed investments.

See independent auditor's report.