

<p style="text-align: center;">Form 5500</p> <p style="font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="font-size: small;">Department of Labor Employee Benefits Security Administration</p> <hr/> <p style="font-size: x-small;">Pension Benefit Guaranty Corporation</p>	<p>Annual Return/Report of Employee Benefit Plan</p> <p style="font-size: x-small;">This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).</p> <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	<p style="font-size: x-small;">OMB Nos. 1210-0110 1210-0089</p> <hr/> <p style="font-size: large; text-align: center;">2022</p> <hr/> <p style="text-align: center;">This Form is Open to Public Inspection</p>
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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

<p>1a Name of plan <u>CHALLENGER HOMES 401(K) PLAN</u></p>	<p>1b Three-digit plan number (PN) ▶ <u>001</u></p>
<p>2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>CHALLENGER BUILDING, LLC</u></p> <p><u>8605 EXPLORER DR. SUITE 250</u> <u>COLORADO SPRINGS, CO 80920</u></p>	<p>1c Effective date of plan <u>01/01/2019</u></p> <p>2b Employer Identification Number (EIN) <u>82-3756084</u></p> <p>2c Plan Sponsor's telephone number <u>719-373-6630</u></p> <p>2d Business code (see instructions) <u>236110</u></p>

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.	09/24/2024	SARAH ARNOLD
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	09/24/2024	THOMAS HENNESSY
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 140
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).	
6a(1) Total number of active participants at the beginning of the plan year	6a(1) 137
6a(2) Total number of active participants at the end of the plan year	6a(2) 149
b Retired or separated participants receiving benefits	6b 9
c Other retired or separated participants entitled to future benefits.....	6c 18
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 176
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 0
f Total. Add lines 6d and 6e	6f 176
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g 111
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 3D 2F 2G 2J 2K 2T 3H	
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) <input checked="" type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input checked="" type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input checked="" type="checkbox"/> ¹ A (Insurance Information) (4) <input type="checkbox"/> C (Service Provider Information) (5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> 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 _____

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

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	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II	Investment and Annuity Contract Information	
	Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.	
4	Current value of plan's interest under this contract in the general account at year end.....	4
5	Current value of plan's interest under this contract in separate accounts at year end.....	5
6	Contracts With Allocated Funds:	
a	State the basis of premium rates ▶	
b	Premiums paid to carrier	6b
c	Premiums due but unpaid at the end of the year	6c
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount..... Specify nature of costs ▶	6d
e	Type of contract: (1) <input type="checkbox"/> individual policies (2) <input type="checkbox"/> group deferred annuity (3) <input type="checkbox"/> other (specify) ▶	
f	If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ <input type="checkbox"/>	
7	Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)	
a	Type of contract: (1) <input type="checkbox"/> deposit administration (2) <input type="checkbox"/> immediate participation guarantee (3) <input type="checkbox"/> guaranteed investment (4) <input type="checkbox"/> other ▶	
b	Balance at the end of the previous year	7b
c	Additions: (1) Contributions deposited during the year	7c(1)
	(2) Dividends and credits.....	7c(2)
	(3) Interest credited during the year.....	7c(3)
	(4) Transferred from separate account.....	7c(4)
	(5) Other (specify below)	7c(5)
	▶	
	(6) Total additions.....	7c(6)
d	Total of balance and additions (add lines 7b and 7c(6))	7d
e	Deductions:	
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)
	(2) Administration charge made by carrier.....	7e(2)
	(3) Transferred to separate account.....	7e(3)
	(4) Other (specify below)	7e(4)
	▶	
	(5) Total deductions.....	7e(5)
f	Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f

Part III Welfare Benefit Contract Information
 If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

- 8** Benefit and contract type (check all applicable boxes)
- a** Health (other than dental or vision)
 - b** Dental
 - c** Vision
 - d** Life insurance
 - e** Temporary disability (accident and sickness)
 - f** Long-term disability
 - g** Supplemental unemployment
 - h** Prescription drug
 - i** Stop loss (large deductible)
 - j** HMO contract
 - k** PPO contract
 - l** Indemnity contract
 - m** Other (specify) ▶

9 Experience-rated contracts:

a	Premiums: (1) Amount received	9a(1)		
	(2) Increase (decrease) in amount due but unpaid	9a(2)		
	(3) Increase (decrease) in unearned premium reserve	9a(3)		
	(4) Earned ((1) + (2) - (3))		9a(4)	0
b	Benefit charges (1) Claims paid	9b(1)		
	(2) Increase (decrease) in claim reserves	9b(2)		
	(3) Incurred claims (add (1) and (2))		9b(3)	0
	(4) Claims charged		9b(4)	
c	Remainder of premium: (1) Retention charges (on an accrual basis) --			
	(A) Commissions	9c(1)(A)		
	(B) Administrative service or other fees	9c(1)(B)		
	(C) Other specific acquisition costs	9c(1)(C)		
	(D) Other expenses	9c(1)(D)		
	(E) Taxes	9c(1)(E)		
	(F) Charges for risks or other contingencies	9c(1)(F)		
	(G) Other retention charges	9c(1)(G)		
	(H) Total retention		9c(1)(H)	0
	(2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.)		9c(2)	
d	Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
	(2) Claim reserves		9d(2)	
	(3) Other reserves		9d(3)	
e	Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	
10	Nonexperience-rated contracts:			
a	Total premiums or subscription charges paid to carrier		10a	
b	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.		10b	

Part IV Provision of Information

- 11** Did the insurance company fail to provide any information necessary to complete Schedule A? Yes No
- 12** If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 <hr/> 2022 This Form is Open to Public Inspection.
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan CHALLENGER HOMES 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 CHALLENGER BUILDING, LLC	D Employer Identification Number (EIN) 82-3756084	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE:	AMERICAN FUNDS 2065 TARGET DATE		
b Name of sponsor of entity listed in (a):	JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	20291
a Name of MTIA, CCT, PSA, or 103-12 IE:	AMERICAN FUNDS 2060 TARGET DATE		
b Name of sponsor of entity listed in (a):	JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	19330
a Name of MTIA, CCT, PSA, or 103-12 IE:	AMERICAN FUNDS 2055 TARGET DATE		
b Name of sponsor of entity listed in (a):	JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	100012
a Name of MTIA, CCT, PSA, or 103-12 IE:	AMERICAN FUNDS 2050 TARGET DATE		
b Name of sponsor of entity listed in (a):	JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	5228
a Name of MTIA, CCT, PSA, or 103-12 IE:	AMERICAN FUNDS 2045 TARGET DATE		
b Name of sponsor of entity listed in (a):	JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	27521
a Name of MTIA, CCT, PSA, or 103-12 IE:	AMERICAN FUNDS 2040 TARGET DATE		
b Name of sponsor of entity listed in (a):	JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	217737
a Name of MTIA, CCT, PSA, or 103-12 IE:	AMERICAN FUNDS 2035 TARGET DATE		
b Name of sponsor of entity listed in (a):	JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	494948

a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN FUNDS 2025 TARGET DATE		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 105374
a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN FUNDS 2010 TARGET DATE		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 12423
a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY EM FUND		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 58
a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN CENTURY SMALL CAP VALUE		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 40381
a Name of MTIA, CCT, PSA, or 103-12 IE: DFA MERGING MARKETS VALUE		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 58
a Name of MTIA, CCT, PSA, or 103-12 IE: DFA US TARGETED VALUE FUND		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 42340
a Name of MTIA, CCT, PSA, or 103-12 IE: FIDELITY MIDCAP INDEX FUND		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 206190
a Name of MTIA, CCT, PSA, or 103-12 IE: INVESTCO SMALL CAP GROWTH		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 361
a Name of MTIA, CCT, PSA, or 103-12 IE: NORTHERN EM EQUITY INDEX FUND		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 58
a Name of MTIA, CCT, PSA, or 103-12 IE: TIAA CREF SMALL CAP BLEND IDX		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 76891

a Name of MTIA, CCT, PSA, or 103-12 IE: UNDISCOVERED MGR BEHAVIORAL				
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY				
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	59093	
a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD SMALL CAP GROW INDEX				
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY				
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	11889	
a Name of MTIA, CCT, PSA, or 103-12 IE: 500 INDEX FUND				
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY				
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	242764	
a Name of MTIA, CCT, PSA, or 103-12 IE: AB LARGE CAP GROWTH FUND				
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY				
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	392473	
a Name of MTIA, CCT, PSA, or 103-12 IE: CAPITAL WORLD GROWTH & INCOME				
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY				
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	8627	
a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN FUNDS NEW PERSPECTIVE				
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY				
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	54360	
a Name of MTIA, CCT, PSA, or 103-12 IE: BLUE CHIP GROWTH FUND				
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY				
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	239685	
a Name of MTIA, CCT, PSA, or 103-12 IE: COLUMBIA DIVIDEND INCOME FUND				
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY				
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	138756	
a Name of MTIA, CCT, PSA, or 103-12 IE: JP MORGAN US EQUITY FUND				
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY				
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	362	
a Name of MTIA, CCT, PSA, or 103-12 IE: PARNASSUS CORE EQUITY FUND				
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY				
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	365	

a Name of MTIA, CCT, PSA, or 103-12 IE: T. ROWE PRICE OVERSEAS STOCK		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 135
a Name of MTIA, CCT, PSA, or 103-12 IE: TIAA CREF LARGE CAP GROWTH INDEX		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 24439
a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TOTAL INTL STOCK INDEX		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 13738
a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TOTAL WORLD STK INDEX ETF		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8988
a Name of MTIA, CCT, PSA, or 103-12 IE: AF AMERICAN BALANCED FUND		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3679954
a Name of MTIA, CCT, PSA, or 103-12 IE: BLACKROCK GLOBAL ALLOCATION		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 122424
a Name of MTIA, CCT, PSA, or 103-12 IE: JOHN HANCOCK BOND FUND		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 27787
a Name of MTIA, CCT, PSA, or 103-12 IE: LORD ABBETT HIGH YIELD FUND		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 172908
a Name of MTIA, CCT, PSA, or 103-12 IE: PIMCO INVT GRADE CREDIT BOND		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 95595
a Name of MTIA, CCT, PSA, or 103-12 IE: PIMCO REAL RETURN		
b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY		
c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2513

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TOTAL BOND MARKET INDEX

b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 643
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a Name of MTIA, CCT, PSA, or 103-12 IE: MONEY MARKET FUND

b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 101205
--------------------------------	------------------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: T ROWE PRICE SHORT TERM BOND

b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE & ANNUITY COMPANY

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 46324
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a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2022 This Form is Open to Public Inspection
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
A Name of plan CHALLENGER HOMES 401(K) PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 CHALLENGER BUILDING, LLC	D Employer Identification Number (EIN) 82-3756084

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets	(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	
b Receivables (less allowance for doubtful accounts):		
(1) Employer contributions.....	1b(1) 22782	10750
(2) Participant contributions.....	1b(2) 8871	6722
(3) Other.....	1b(3)	
c General investments:		
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1) 0	11641
(2) U.S. Government securities.....	1c(2)	
(3) Corporate debt instruments (other than employer securities):		
(A) Preferred.....	1c(3)(A)	
(B) All other.....	1c(3)(B)	
(4) Corporate stocks (other than employer securities):		
(A) Preferred.....	1c(4)(A)	
(B) Common.....	1c(4)(B)	
(5) Partnership/joint venture interests.....	1c(5)	
(6) Real estate (other than employer real property).....	1c(6)	
(7) Loans (other than to participants).....	1c(7)	
(8) Participant loans.....	1c(8) 3778	43390
(9) Value of interest in common/collective trusts.....	1c(9)	
(10) Value of interest in pooled separate accounts.....	1c(10)	
(11) Value of interest in master trust investment accounts.....	1c(11)	
(12) Value of interest in 103-12 investment entities.....	1c(12)	
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13) 4342776	6814231
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	
(15) Other.....	1c(15)	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)		
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	4378207	6886734

Liabilities

g Benefit claims payable.....	1g		
h Operating payables.....	1h	88	0
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	88	0

Net Assets

l Net assets (subtract line 1k from line 1f).....	1l	4378119	6886734
---	----	---------	---------

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)	566041	
(B) Participants.....	2a(1)(B)	814365	
(C) Others (including rollovers).....	2a(1)(C)	501285	
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2).....	2a(3)		1881691
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)	1969	
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		1969
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A), (B), and (C).....	2b(2)(D)		0
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-967383
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		916277
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	311948	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		311948
f Corrective distributions (see instructions)	2f		52585
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees.....	2i(2)	14721	
(3) Investment advisory and management fees	2i(3)	29939	
(4) Other	2i(4)	3625	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		48285
j Total expenses. Add all expense amounts in column (b) and enter total	2j		412818
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		503459
l Transfers of assets:			
(1) To this plan	2l(1)		2005156
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

- (1) Unmodified (2) Qualified (3) Disclaimer (4) Adverse

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

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

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

(1) Name: STOCKMAN KAST RYAN + COMPANY

(2) EIN: 84-1509584

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		112522

		Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....	4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....	4d		X	
e Was this plan covered by a fidelity bond?.....	4e	X		437812
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.).....	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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

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

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

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) Yes No Not determined
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2022 This Form is Open to Public Inspection.
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

A Name of plan <u>CHALLENGER HOMES 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>CHALLENGER BUILDING, LLC</u>	D Employer Identification Number (EIN) <u>82-3756084</u>	

Part I	Distributions
---------------	----------------------

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

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

1	0
---	---

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
EIN(s): 01-0233346

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....

3	
---	--

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a	
b Enter the amount contributed by the employer to the plan for this plan year.....	6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	

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

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

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

Part III	Amendments
-----------------	-------------------

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

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

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

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

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

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

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

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

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

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

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
 0-3 years 3-6 years 6-9 years 9-12 years 12-15 years 15-18 years 18-21 years 21 years or more

c What duration measure was used to calculate line 19(b)?
 Effective duration Macaulay duration Modified duration Other (specify): _____

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

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

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

Yes.

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

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

No. Other. Provide explanation _____



CHALLENGER HOMES 401(k) PLAN

Financial Statements

As of December 31, 2022 and 2021

And For the Year Ended December 31, 2022,

Supplemental Schedules

As of and For the Year Ended December 31, 2022

And

Independent Auditors' Report

CHALLENGER HOMES 401(k) PLAN

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INDEPENDENT AUDITORS' REPORT

Trustee and Plan Administrator
Challenger Homes 401(k) Plan

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

We have performed an audit of the accompanying financial statements of Challenger Homes 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 statements of net assets available for benefits as of December 31, 2022 and 2021, the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

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 certifications from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, 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 Auditors' Responsibilities for the Audit of the Financial Statements section—

- The amounts and disclosures in the financial statements referred to above, 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 financial statements referred to above 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. Our responsibilities under those standards are further described in the Auditors' 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.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 certifications, 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 Schedules Required by ERISA

The supplemental schedules of Delinquent Participant Contributions For The Year Ended December 31, 2022 and Assets Held at End of Year December 31, 2022 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information 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 generally accepted auditing standards. 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 their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The 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).

Stockman Kast Ryan & Co, LLP

Colorado Springs, Colorado

October 8, 2024

CHALLENGER HOMES 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Cash	\$ 11,641	
Investments, at fair value	6,814,231	\$ 4,342,776
Notes receivable from participants	43,390	3,778
Contributions receivable:		
Transfer of assets into plan due to merger - The Challenger Group 401k Plan		1,489,925
Employer	10,750	22,782
Participants	<u>6,722</u>	<u>8,871</u>
Total	6,886,734	5,868,132
LIABILITIES		
Operating payable	<u> </u>	<u>88</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 6,886,734</u>	<u>\$ 5,868,044</u>

See Independent Auditors' Report and notes to financial statements.

CHALLENGER HOMES 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED DECEMBER 31, 2022

ADDITIONS TO PLAN NET ASSETS

Contributions:

Participants	\$ 814,365
Employer	566,041
Rollovers	<u>501,285</u>

Total contributions 1,881,691

Investment loss:

Net depreciation in fair value of investments (967,383)

Interest income on notes receivable from participants 1,969

TOTAL ADDITIONS 916,277

DEDUCTIONS FROM PLAN ASSETS

Benefit payments	311,948
Refund of excess contributions benefit payments	52,585
Administrative expenses	<u>48,285</u>

TOTAL DEDUCTIONS 412,818

TRANSFER OF ASSETS INTO THE PLAN DUE TO MERGER - Carter Hill Homes, LLC 515,231

NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS 1,018,690

NET ASSETS AVAILABLE FOR BENEFITS, Beginning of year 5,868,044

NET ASSETS AVAILABLE FOR BENEFITS, End of year \$ 6,886,734

See Independent Auditors' Report and notes to financial statements.

CHALLENGER HOMES 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN

The following brief description of the Challenger Homes 401(k) Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General — The Plan is a defined contribution plan covering eligible employees of Challenger Building, LLC and, effective November 1, 2021, employees of Key Structures, LLC; Amato Homes I, LLC; Casina Creek Homes; Goodwin Knight, LLC; GTG Spire Homes, LLC; Monticello Homes I, LLC; PoP Homes, LLC and Westover Homes, LLC (collectively, the Company). Employees who are at least 21 years old, have completed 3 months of service and are not collectively bargained employees, non-resident aliens or leased employees, are eligible to participate in the Plan. Individuals who became employees as a result of a Code 410(b)(6)(C) transaction are also excluded from the Plan. The Plan is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Plan Mergers — Effective December 31, 2021, The Challenger Group, Inc 401(k) Plan was merged into this Plan. Assets of \$1,489,925 were transferred into the Plan during the year ended December 31, 2022.

During 2022, the Carter Hill Homes, LLC Plan was merged into this Plan. Assets of \$515,231 were transferred into the Plan during the year ended December 31, 2022.

Contributions — A participant may elect to have a percentage of their compensation withheld by the Company and contributed to the Plan on their behalf as an elective contribution in lieu of receiving such amount as compensation. Such contributions may not exceed 80% of compensation and the limits established in the Internal Revenue Code (IRC).

The Company makes safe harbor contributions matching 100% of employee contributions up to the first 6% of employee contributions.

Participant Accounts — Each participant shall have one account and such account will be credited with the participant's contributions, an allocation of the Company's contributions, and an allocation of the Plan's earnings and losses. Participants direct the investments of their contributions into various investment options offered by the Plan.

The Plan's earnings or losses, excluding that related to participants' loans, are allocated to the participant's account based upon the proportion that each participant's account bears to the total participants' account balances related to that fund. Earnings resulting from loans to participants are credited to the respective participant's accounts.

Vesting — Participants are 100% vested in the amounts they contribute and the Company's safe harbor matching contributions.

The benefit to which a participant is entitled is the benefit that can be provided from the vested portion of the participant's account.

Notes Receivable from Participants — Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of (a) \$50,000 or (b) 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with prevailing rates. Principal and interest are paid ratably through regular payroll deductions.

Payment of Benefits — Upon separation of service, the Plan will distribute vested account balances not exceeding \$5,000 in a lump-sum as soon as administratively practicable. An employee with a vested account balance greater than \$5,000 may elect to receive a lump-sum payment equal to his or her account balance, roll over the vested account balance to an account of his or her choice, or maintain the vested balance in the Plan and continue to share in investment gains and losses.

A participant may also elect to receive an account distribution if the participant has attained the age 59½ or incurred a hardship in accordance with the Plan provisions.

Administrative Expenses — Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Investment related expenses are included in net appreciation or depreciation in fair value of investments.

Plan Termination — Although they have not expressed an intention to do so, the Company has the right to terminate the Plan at any time.

Tax Status — The Plan is a non-standardized pre-approved profit sharing plan of Farmer & Betts Inc. The Plan obtained its latest pre-approved plan determination letter dated June 30, 2020, stating that the Plan is qualified under Section 401 of the IRC. The Internal Revenue Service (IRS) stated that the prep-approved plan, as designed, was in compliance with the applicable requirements of the IRC. Although the Plan has adopted amendments since adopting the pre-approved plan, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has concluded that as of December 31, 2022, the Plan has no material uncertain tax positions.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The accompanying financial statements have been prepared on the accrual basis of accounting.

Valuation of Investments and Income Recognition — Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Plan Administrator determines the Plan's valuations utilizing information provided by the asset custodian. See Note 3 for information on fair value measurements.

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

All investment income from pooled separate accounts is included within the net appreciation or depreciation in fair value of investments consistent with the presentation provided by the Plan's custodian.

Use of Estimates — Preparation of financial statements in conformity with the accrual basis of accounting requires the Plan's management to make estimates and assumptions that affect the reported amounts of net assets and changes in net assets and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

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. No allowance for credit losses has been recorded as of December 31, 2022 and 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 when paid.

Subsequent Events — The Plan has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the financial statements were available for issuance.

3. INVESTMENTS

Fair Value Measurements — Generally accepted accounting principles require the Plan to use a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access.

Level 2: Prices determined using significant other observable inputs. 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: Prices determined using significant unobservable inputs.

The investment'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.

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

Pooled Separate Accounts — Valued at the net asset value of shares held by the Plan at year-end. The net asset value is used as a practical expedient to measure fair value. This practical expedient would not be used if it is determined to be probable that the investment will be sold for an amount different from the reported net asset value. There are no significant restrictions on the accounts.

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

Investments for which fair value is measured using the net asset value per share practical expedient are not categorized within the fair value hierarchy and therefore, the Plan holds no assets categorized within the fair value hierarchy. Investments at net asset value consist of the following:

	2022	2021
Pooled separate accounts measured at net asset value (excluded from fair value hierarchy)	<u>\$ 6,814,231</u>	<u>\$ 4,342,776</u>

4. INFORMATION PREPARED AND CERTIFIED BY THE CUSTODIAN

The following is a summary of the information obtained by management and agreed to or derived from information certified as complete and accurate by John Hancock Life Insurance Company (U.S.A.), the custodian of the Plan.

- Investments
- Notes receivable from participants
- Investment loss
 - Net depreciation in fair value of investments
- Interest income on notes receivable from participants
- Supplemental schedule of assets held at end of year

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 participants' account balances and the amounts reported in the statements of net assets available for benefits.

6. PARTY-IN-INTEREST TRANSACTIONS

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50% or more of such an employer or employee association, or relatives of such persons.

The Plan invested in pooled separate accounts of John Hancock Life Insurance Company (U.S.A.), the Plan custodian, and holds notes receivable from participants. Therefore, these transactions qualify as party-in-interest transactions.

7. RECONCILIATION OF FINANCIAL STATEMENTS TO THE FORM 5500

The following is a reconciliation of the changes in net assets available for benefits as stated in the financial statements and the related Form 5500 for the year ended December 31, 2022:

Transfers of assets to this plan per Form 5500	\$ 2,005,156
Contributions receivable - transfers, beginning of year	<u>(1,489,925)</u>
Transfers of assets to this plan per the financial statements	<u>\$ 515,231</u>

8. NON-EXEMPT PROHIBITED TRANSACTIONS – DELINQUENT PARTICIPANT CONTRIBUTIONS

Defined contribution plans are required to remit employee contributions to the plan as soon as they can be reasonably segregated from the employer's general assets. During 2022, contributions totaling \$112,522 were not timely remitted. Contributions totaling \$112,104 were remitted in 2022, contributions totaling \$418 were remitted in 2023 and lost earnings are expected to be remitted in 2024.

CHALLENGER HOMES 401(k) PLAN

SUPPLEMENTAL SCHEDULES

CHALLENGER HOMES 401(k) PLAN
EIN 82-3756084
PN 001

SCHEDULE H, LINE 4a — SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

Participant Contributions Transferred Late to Plan Check Here if Late Participant Loan Repayments Are Included: <input checked="" type="checkbox"/>	Total That Constitutes Non — Exempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002 – 51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
\$ 112,522	\$ 112,522	\$ —	\$ —	\$ —

CHALLENGER HOMES 401(k) PLAN
EIN 82-3756084
PN 001

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2022

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment	Current Value
Pooled separate accounts:		
* John Hancock Life Insurance & Annuity Company	AF American Balanced Fund	\$ 3,679,954
* John Hancock Life Insurance & Annuity Company	American Funds 2035 Target Date	494,948
* John Hancock Life Insurance & Annuity Company	AB Large Cap Growth Fund	392,473
* John Hancock Life Insurance & Annuity Company	500 Index Fund	242,764
* John Hancock Life Insurance & Annuity Company	Blue Chip Growth Fund	239,685
* John Hancock Life Insurance & Annuity Company	American Funds 2040 Target Date	217,737
* John Hancock Life Insurance & Annuity Company	Fidelity Midcap Index Fund	206,190
* John Hancock Life Insurance & Annuity Company	Lord Abbett High Yield Fund	172,909
* John Hancock Life Insurance & Annuity Company	Columbia Dividend Income Fund	138,756
* John Hancock Life Insurance & Annuity Company	Blackrock Global Allocation	122,424
* John Hancock Life Insurance & Annuity Company	American Funds 2025 Target Date	105,374
* John Hancock Life Insurance & Annuity Company	Money Market Fund	101,205
* John Hancock Life Insurance & Annuity Company	American Funds 2055 Target Date	100,013
* John Hancock Life Insurance & Annuity Company	PIMCO Invst Grade Credit Bond	95,595
* John Hancock Life Insurance & Annuity Company	TIAA CREF Small Cap Blend Index	76,891
* John Hancock Life Insurance & Annuity Company	Undiscovered Mgr Behavioral	59,093
* John Hancock Life Insurance & Annuity Company	American Funds New Perspective	54,360
* John Hancock Life Insurance & Annuity Company	T. Rowe Price Short Term Bond	46,324
* John Hancock Life Insurance & Annuity Company	DFA US Targeted Value Fund	42,340
* John Hancock Life Insurance & Annuity Company	American Century Small Cap	40,381
* John Hancock Life Insurance & Annuity Company	John Hancock Bond Fund	27,787
* John Hancock Life Insurance & Annuity Company	American Funds 2045 Target Date	27,521
* John Hancock Life Insurance & Annuity Company	TIAA CREF Large Cap Growth Index	24,439
* John Hancock Life Insurance & Annuity Company	American Funds 2065 Target Date	20,291
* John Hancock Life Insurance & Annuity Company	American Funds 2060 Target Date	19,330
* John Hancock Life Insurance & Annuity Company	Vanguard Total Intl Stock Index	13,739
* John Hancock Life Insurance & Annuity Company	American Funds 2010 Target Date	12,423
* John Hancock Life Insurance & Annuity Company	Vanguard Small Cap Grow Index	11,889
* John Hancock Life Insurance & Annuity Company	Vanguard Total World Stk Index ETF	8,987
* John Hancock Life Insurance & Annuity Company	Capital World Growth & Income	8,628
* John Hancock Life Insurance & Annuity Company	American Funds 2050 Target Date	5,228
* John Hancock Life Insurance & Annuity Company	PIMCO Real Return	2,513
* John Hancock Life Insurance & Annuity Company	Vanguard Total Bond Market Index	643
* John Hancock Life Insurance & Annuity Company	Parnassus Core Equity Fund	365
* John Hancock Life Insurance & Annuity Company	JP Morgan US Equity Fund	362
* John Hancock Life Insurance & Annuity Company	Invesco Small Cap Growth	361
* John Hancock Life Insurance & Annuity Company	T.Rowe Price Overseas Stock	135
* John Hancock Life Insurance & Annuity Company	American Century EM Fund	58

(Continued)

CHALLENGER HOMES 401(k) PLAN
EIN 82-3756084
PN 001

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2022

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment	Current Value
* John Hancock Life Insurance & Annuity Company	DFA Merging Markets Value	58
* John Hancock Life Insurance & Annuity Company	Northern EM Equity Index Fund	58
* John Hancock Life Insurance & Annuity Company	Unallocated cash	11,641
* Notes receivable from participants	Interest from 4.25% to 8.00%, maturity dates through November 2027	<u>43,390</u>
Total		<u>\$ 6,869,262</u>

* Represents a party-in-interest

(Concluded)

Multiple Employer Plan Participating Employer Information

Challenger Homes 401(k) Plan 82-3756084/001

Participant Employer	EIN	3. Percent of Total Contributions for Plan Year	4. Aggregate Account Balances at End of Year Attributable to Participating Employer
1. Challenger Building, LLC	2. 82-3756084	34.79%	3,860,423.69
1. Key Structures, LLC	2. 36-4907784	7.01%	206,233.92
1. Amato Homes I, LLC	2. 85-0937146	0.92%	16,942.99
1. Carter Hill Homes, LLC	2. 82-5008658	6.74%	590,819.07
1. Casina Creek Homes, LLC	2. 83-1216204	0.00%	-
1. Goodwin Knight, LLC	2. 61-1863422	44.44%	2,027,550.02
1. GTG Spire Homes, LLC	2. 85-0937491	2.14%	40,599.61
1. Monticello Homes I, LLC	2. 85-0937624	0.48%	9,080.94
1. PoP Homes, LLC	2. 84-2241452	2.35%	43,676.79
1. Westover Homes LLC	2. 37-1940512	1.13%	91,407.02

Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2022

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

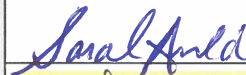

- A** This return/report is for: a multiemployer plan a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
 a single-employer plan a DFE (specify) _____
- B** This return/report is: the first return/report the final return/report
 an amended return/report a short plan year return/report (less than 12 months)
- C** If the plan is a collectively-bargained plan, check here.
- D** Check box if filing under: Form 5558 automatic extension the DFVC program
 special extension (enter description)
- E** If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.

Part II Basic Plan Information—enter all requested information

1a Name of plan CHALLENGER HOMES 401(K) PLAN	1b Three-digit plan number (PN) ▶	001
	1c Effective date of plan	01/01/2019
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) Challenger Building, LLC 8605 Explorer Dr. Suite 250 Colorado Springs CO 80920	2b Employer Identification Number (EIN)	82-3756084
	2c Plan Sponsor's telephone number	719-373-6630
	2d Business code (see instructions)	236110

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		09/24/2024	Sarah Arnold
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		09/24/2024	Thomas Hennessy
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2022)
v. 220413

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>																				
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN																				
5 Total number of participants at the beginning of the plan year	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%;">5</td> <td style="width:90%; text-align: right;">140</td> </tr> </table>	5	140																		
5	140																				
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%;"></td> <td style="width:90%;"></td> </tr> <tr> <td>6a(1)</td> <td style="text-align: right;">137</td> </tr> <tr> <td>6a(2)</td> <td style="text-align: right;">149</td> </tr> <tr> <td>6b</td> <td style="text-align: right;">9</td> </tr> <tr> <td>6c</td> <td style="text-align: right;">18</td> </tr> <tr> <td>6d</td> <td style="text-align: right;">176</td> </tr> <tr> <td>6e</td> <td style="text-align: right;">0</td> </tr> <tr> <td>6f</td> <td style="text-align: right;">176</td> </tr> <tr> <td>6g</td> <td style="text-align: right;">111</td> </tr> <tr> <td>6h</td> <td style="text-align: right;">0</td> </tr> </table>			6a(1)	137	6a(2)	149	6b	9	6c	18	6d	176	6e	0	6f	176	6g	111	6h	0
6a(1)	137																				
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7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%;">7</td> <td style="width:90%;"></td> </tr> </table>	7																			
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 3D 2F 2G 2J 2K 2T 3H

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) <input checked="" type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input checked="" type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
--	--

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

a Pension Schedules (1) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input checked="" type="checkbox"/> 1 A (Insurance Information) (4) <input type="checkbox"/> C (Service Provider Information) (5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> 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 _____



CHALLENGER HOMES 401(k) PLAN

Financial Statements

As of December 31, 2022 and 2021

And For the Year Ended December 31, 2022,

Supplemental Schedules

As of and For the Year Ended December 31, 2022

And

Independent Auditors' Report

CHALLENGER HOMES 401(k) PLAN

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INDEPENDENT AUDITORS' REPORT

Trustee and Plan Administrator
Challenger Homes 401(k) Plan

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

We have performed an audit of the accompanying financial statements of Challenger Homes 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 statements of net assets available for benefits as of December 31, 2022 and 2021, the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

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 certifications from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, 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 Auditors' Responsibilities for the Audit of the Financial Statements section—

- The amounts and disclosures in the financial statements referred to above, 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 financial statements referred to above 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. Our responsibilities under those standards are further described in the Auditors' 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.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 certifications, 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 Schedules Required by ERISA

The supplemental schedules of Delinquent Participant Contributions For The Year Ended December 31, 2022 and Assets Held at End of Year December 31, 2022 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information 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 generally accepted auditing standards. 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 their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The 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).

Stockman Kast Ryan & Co, LLP

Colorado Springs, Colorado

October 8, 2024

CHALLENGER HOMES 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Cash	\$ 11,641	
Investments, at fair value	6,814,231	\$ 4,342,776
Notes receivable from participants	43,390	3,778
Contributions receivable:		
Transfer of assets into plan due to merger - The Challenger Group 401k Plan		1,489,925
Employer	10,750	22,782
Participants	<u>6,722</u>	<u>8,871</u>
Total	6,886,734	5,868,132
LIABILITIES		
Operating payable	<u> </u>	<u>88</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 6,886,734</u>	<u>\$ 5,868,044</u>

See Independent Auditors' Report and notes to financial statements.

CHALLENGER HOMES 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED DECEMBER 31, 2022

ADDITIONS TO PLAN NET ASSETS

Contributions:

Participants	\$ 814,365
Employer	566,041
Rollovers	<u>501,285</u>

Total contributions 1,881,691

Investment loss:

Net depreciation in fair value of investments (967,383)

Interest income on notes receivable from participants 1,969

TOTAL ADDITIONS 916,277

DEDUCTIONS FROM PLAN ASSETS

Benefit payments	311,948
Refund of excess contributions benefit payments	52,585
Administrative expenses	<u>48,285</u>

TOTAL DEDUCTIONS 412,818

TRANSFER OF ASSETS INTO THE PLAN DUE TO MERGER - Carter Hill Homes, LLC 515,231

NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS 1,018,690

NET ASSETS AVAILABLE FOR BENEFITS, Beginning of year 5,868,044

NET ASSETS AVAILABLE FOR BENEFITS, End of year \$ 6,886,734

See Independent Auditors' Report and notes to financial statements.

CHALLENGER HOMES 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN

The following brief description of the Challenger Homes 401(k) Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General — The Plan is a defined contribution plan covering eligible employees of Challenger Building, LLC and, effective November 1, 2021, employees of Key Structures, LLC; Amato Homes I, LLC; Casina Creek Homes; Goodwin Knight, LLC; GTG Spire Homes, LLC; Monticello Homes I, LLC; PoP Homes, LLC and Westover Homes, LLC (collectively, the Company). Employees who are at least 21 years old, have completed 3 months of service and are not collectively bargained employees, non-resident aliens or leased employees, are eligible to participate in the Plan. Individuals who became employees as a result of a Code 410(b)(6)(C) transaction are also excluded from the Plan. The Plan is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Plan Mergers — Effective December 31, 2021, The Challenger Group, Inc 401(k) Plan was merged into this Plan. Assets of \$1,489,925 were transferred into the Plan during the year ended December 31, 2022.

During 2022, the Carter Hill Homes, LLC Plan was merged into this Plan. Assets of \$515,231 were transferred into the Plan during the year ended December 31, 2022.

Contributions — A participant may elect to have a percentage of their compensation withheld by the Company and contributed to the Plan on their behalf as an elective contribution in lieu of receiving such amount as compensation. Such contributions may not exceed 80% of compensation and the limits established in the Internal Revenue Code (IRC).

The Company makes safe harbor contributions matching 100% of employee contributions up to the first 6% of employee contributions.

Participant Accounts — Each participant shall have one account and such account will be credited with the participant's contributions, an allocation of the Company's contributions, and an allocation of the Plan's earnings and losses. Participants direct the investments of their contributions into various investment options offered by the Plan.

The Plan's earnings or losses, excluding that related to participants' loans, are allocated to the participant's account based upon the proportion that each participant's account bears to the total participants' account balances related to that fund. Earnings resulting from loans to participants are credited to the respective participant's accounts.

Vesting — Participants are 100% vested in the amounts they contribute and the Company's safe harbor matching contributions.

The benefit to which a participant is entitled is the benefit that can be provided from the vested portion of the participant's account.

Notes Receivable from Participants — Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of (a) \$50,000 or (b) 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with prevailing rates. Principal and interest are paid ratably through regular payroll deductions.

Payment of Benefits — Upon separation of service, the Plan will distribute vested account balances not exceeding \$5,000 in a lump-sum as soon as administratively practicable. An employee with a vested account balance greater than \$5,000 may elect to receive a lump-sum payment equal to his or her account balance, roll over the vested account balance to an account of his or her choice, or maintain the vested balance in the Plan and continue to share in investment gains and losses.

A participant may also elect to receive an account distribution if the participant has attained the age 59½ or incurred a hardship in accordance with the Plan provisions.

Administrative Expenses — Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Investment related expenses are included in net appreciation or depreciation in fair value of investments.

Plan Termination — Although they have not expressed an intention to do so, the Company has the right to terminate the Plan at any time.

Tax Status — The Plan is a non-standardized pre-approved profit sharing plan of Farmer & Betts Inc. The Plan obtained its latest pre-approved plan determination letter dated June 30, 2020, stating that the Plan is qualified under Section 401 of the IRC. The Internal Revenue Service (IRS) stated that the prep-approved plan, as designed, was in compliance with the applicable requirements of the IRC. Although the Plan has adopted amendments since adopting the pre-approved plan, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has concluded that as of December 31, 2022, the Plan has no material uncertain tax positions.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The accompanying financial statements have been prepared on the accrual basis of accounting.

Valuation of Investments and Income Recognition — Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Plan Administrator determines the Plan's valuations utilizing information provided by the asset custodian. See Note 3 for information on fair value measurements.

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

All investment income from pooled separate accounts is included within the net appreciation or depreciation in fair value of investments consistent with the presentation provided by the Plan's custodian.

Use of Estimates — Preparation of financial statements in conformity with the accrual basis of accounting requires the Plan's management to make estimates and assumptions that affect the reported amounts of net assets and changes in net assets and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

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. No allowance for credit losses has been recorded as of December 31, 2022 and 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 when paid.

Subsequent Events — The Plan has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the financial statements were available for issuance.

3. INVESTMENTS

Fair Value Measurements — Generally accepted accounting principles require the Plan to use a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access.

Level 2: Prices determined using significant other observable inputs. 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: Prices determined using significant unobservable inputs.

The investment'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.

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

Pooled Separate Accounts — Valued at the net asset value of shares held by the Plan at year-end. The net asset value is used as a practical expedient to measure fair value. This practical expedient would not be used if it is determined to be probable that the investment will be sold for an amount different from the reported net asset value. There are no significant restrictions on the accounts.

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

Investments for which fair value is measured using the net asset value per share practical expedient are not categorized within the fair value hierarchy and therefore, the Plan holds no assets categorized within the fair value hierarchy. Investments at net asset value consist of the following:

	2022	2021
Pooled separate accounts measured at net asset value (excluded from fair value hierarchy)	<u>\$ 6,814,231</u>	<u>\$ 4,342,776</u>

4. INFORMATION PREPARED AND CERTIFIED BY THE CUSTODIAN

The following is a summary of the information obtained by management and agreed to or derived from information certified as complete and accurate by John Hancock Life Insurance Company (U.S.A.), the custodian of the Plan.

- Investments
- Notes receivable from participants
- Investment loss
 - Net depreciation in fair value of investments
- Interest income on notes receivable from participants
- Supplemental schedule of assets held at end of year

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 participants' account balances and the amounts reported in the statements of net assets available for benefits.

6. PARTY-IN-INTEREST TRANSACTIONS

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50% or more of such an employer or employee association, or relatives of such persons.

The Plan invested in pooled separate accounts of John Hancock Life Insurance Company (U.S.A.), the Plan custodian, and holds notes receivable from participants. Therefore, these transactions qualify as party-in-interest transactions.

7. RECONCILIATION OF FINANCIAL STATEMENTS TO THE FORM 5500

The following is a reconciliation of the changes in net assets available for benefits as stated in the financial statements and the related Form 5500 for the year ended December 31, 2022:

Transfers of assets to this plan per Form 5500	\$ 2,005,156
Contributions receivable - transfers, beginning of year	<u>(1,489,925)</u>
Transfers of assets to this plan per the financial statements	<u>\$ 515,231</u>

8. NON-EXEMPT PROHIBITED TRANSACTIONS – DELINQUENT PARTICIPANT CONTRIBUTIONS

Defined contribution plans are required to remit employee contributions to the plan as soon as they can be reasonably segregated from the employer's general assets. During 2022, contributions totaling \$112,522 were not timely remitted. Contributions totaling \$112,104 were remitted in 2022, contributions totaling \$418 were remitted in 2023 and lost earnings are expected to be remitted in 2024.

CHALLENGER HOMES 401(k) PLAN

SUPPLEMENTAL SCHEDULES

CHALLENGER HOMES 401(k) PLAN
EIN 82-3756084
PN 001

SCHEDULE H, LINE 4a — SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

Participant Contributions Transferred Late to Plan <hr/> Check Here if Late Participant Loan Repayments Are Included: <input checked="" type="checkbox"/>	<hr/> Total That Constitutes Non — Exempt Prohibited Transactions <hr/>			Total Fully Corrected Under VFCP and PTE 2002 – 51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
\$ 112,522	\$ 112,522	\$ —	\$ —	\$ —

CHALLENGER HOMES 401(k) PLAN
EIN 82-3756084
PN 001

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2022

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment	Current Value
Pooled separate accounts:		
* John Hancock Life Insurance & Annuity Company	AF American Balanced Fund	\$ 3,679,954
* John Hancock Life Insurance & Annuity Company	American Funds 2035 Target Date	494,948
* John Hancock Life Insurance & Annuity Company	AB Large Cap Growth Fund	392,473
* John Hancock Life Insurance & Annuity Company	500 Index Fund	242,764
* John Hancock Life Insurance & Annuity Company	Blue Chip Growth Fund	239,685
* John Hancock Life Insurance & Annuity Company	American Funds 2040 Target Date	217,737
* John Hancock Life Insurance & Annuity Company	Fidelity Midcap Index Fund	206,190
* John Hancock Life Insurance & Annuity Company	Lord Abbett High Yield Fund	172,909
* John Hancock Life Insurance & Annuity Company	Columbia Dividend Income Fund	138,756
* John Hancock Life Insurance & Annuity Company	Blackrock Global Allocation	122,424
* John Hancock Life Insurance & Annuity Company	American Funds 2025 Target Date	105,374
* John Hancock Life Insurance & Annuity Company	Money Market Fund	101,205
* John Hancock Life Insurance & Annuity Company	American Funds 2055 Target Date	100,013
* John Hancock Life Insurance & Annuity Company	PIMCO Invst Grade Credit Bond	95,595
* John Hancock Life Insurance & Annuity Company	TIAA CREF Small Cap Blend Index	76,891
* John Hancock Life Insurance & Annuity Company	Undiscovered Mgr Behavioral	59,093
* John Hancock Life Insurance & Annuity Company	American Funds New Perspective	54,360
* John Hancock Life Insurance & Annuity Company	T. Rowe Price Short Term Bond	46,324
* John Hancock Life Insurance & Annuity Company	DFA US Targeted Value Fund	42,340
* John Hancock Life Insurance & Annuity Company	American Century Small Cap	40,381
* John Hancock Life Insurance & Annuity Company	John Hancock Bond Fund	27,787
* John Hancock Life Insurance & Annuity Company	American Funds 2045 Target Date	27,521
* John Hancock Life Insurance & Annuity Company	TIAA CREF Large Cap Growth Index	24,439
* John Hancock Life Insurance & Annuity Company	American Funds 2065 Target Date	20,291
* John Hancock Life Insurance & Annuity Company	American Funds 2060 Target Date	19,330
* John Hancock Life Insurance & Annuity Company	Vanguard Total Intl Stock Index	13,739
* John Hancock Life Insurance & Annuity Company	American Funds 2010 Target Date	12,423
* John Hancock Life Insurance & Annuity Company	Vanguard Small Cap Grow Index	11,889
* John Hancock Life Insurance & Annuity Company	Vanguard Total World Stk Index ETF	8,987
* John Hancock Life Insurance & Annuity Company	Capital World Growth & Income	8,628
* John Hancock Life Insurance & Annuity Company	American Funds 2050 Target Date	5,228
* John Hancock Life Insurance & Annuity Company	PIMCO Real Return	2,513
* John Hancock Life Insurance & Annuity Company	Vanguard Total Bond Market Index	643
* John Hancock Life Insurance & Annuity Company	Parnassus Core Equity Fund	365
* John Hancock Life Insurance & Annuity Company	JP Morgan US Equity Fund	362
* John Hancock Life Insurance & Annuity Company	Invesco Small Cap Growth	361
* John Hancock Life Insurance & Annuity Company	T.Rowe Price Overseas Stock	135
* John Hancock Life Insurance & Annuity Company	American Century EM Fund	58

(Continued)

CHALLENGER HOMES 401(k) PLAN
EIN 82-3756084
PN 001

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2022

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment	Current Value
* John Hancock Life Insurance & Annuity Company	DFA Merging Markets Value	58
* John Hancock Life Insurance & Annuity Company	Northern EM Equity Index Fund	58
* John Hancock Life Insurance & Annuity Company	Unallocated cash	11,641
* Notes receivable from participants	Interest from 4.25% to 8.00%, maturity dates through November 2027	<u>43,390</u>
Total		<u>\$ 6,869,262</u>

* Represents a party-in-interest

(Concluded)



CHALLENGER HOMES 401(k) PLAN

Financial Statements

As of December 31, 2022 and 2021

And For the Year Ended December 31, 2022,

Supplemental Schedules

As of and For the Year Ended December 31, 2022

And

Independent Auditors' Report

CHALLENGER HOMES 401(k) PLAN

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INDEPENDENT AUDITORS' REPORT

Trustee and Plan Administrator
Challenger Homes 401(k) Plan

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

We have performed an audit of the accompanying financial statements of Challenger Homes 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 statements of net assets available for benefits as of December 31, 2022 and 2021, the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

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 certifications from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, 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 Auditors' Responsibilities for the Audit of the Financial Statements section—

- The amounts and disclosures in the financial statements referred to above, 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 financial statements referred to above 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. Our responsibilities under those standards are further described in the Auditors' 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.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 certifications, 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 Schedules Required by ERISA

The supplemental schedules of Delinquent Participant Contributions For The Year Ended December 31, 2022 and Assets Held at End of Year December 31, 2022 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information 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 generally accepted auditing standards. 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 their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The 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).

Stockman Kast Ryan & Co, LLP

Colorado Springs, Colorado

October 8, 2024

CHALLENGER HOMES 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Cash	\$ 11,641	
Investments, at fair value	6,814,231	\$ 4,342,776
Notes receivable from participants	43,390	3,778
Contributions receivable:		
Transfer of assets into plan due to merger - The Challenger Group 401k Plan		1,489,925
Employer	10,750	22,782
Participants	<u>6,722</u>	<u>8,871</u>
Total	6,886,734	5,868,132
LIABILITIES		
Operating payable	<u> </u>	<u>88</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 6,886,734</u>	<u>\$ 5,868,044</u>

See Independent Auditors' Report and notes to financial statements.

CHALLENGER HOMES 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED DECEMBER 31, 2022

ADDITIONS TO PLAN NET ASSETS

Contributions:

Participants	\$ 814,365
Employer	566,041
Rollovers	<u>501,285</u>

Total contributions 1,881,691

Investment loss:

Net depreciation in fair value of investments (967,383)

Interest income on notes receivable from participants 1,969

TOTAL ADDITIONS 916,277

DEDUCTIONS FROM PLAN ASSETS

Benefit payments	311,948
Refund of excess contributions benefit payments	52,585
Administrative expenses	<u>48,285</u>

TOTAL DEDUCTIONS 412,818

TRANSFER OF ASSETS INTO THE PLAN DUE TO MERGER - Carter Hill Homes, LLC 515,231

NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS 1,018,690

NET ASSETS AVAILABLE FOR BENEFITS, Beginning of year 5,868,044

NET ASSETS AVAILABLE FOR BENEFITS, End of year \$ 6,886,734

See Independent Auditors' Report and notes to financial statements.

CHALLENGER HOMES 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN

The following brief description of the Challenger Homes 401(k) Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General — The Plan is a defined contribution plan covering eligible employees of Challenger Building, LLC and, effective November 1, 2021, employees of Key Structures, LLC; Amato Homes I, LLC; Casina Creek Homes; Goodwin Knight, LLC; GTG Spire Homes, LLC; Monticello Homes I, LLC; PoP Homes, LLC and Westover Homes, LLC (collectively, the Company). Employees who are at least 21 years old, have completed 3 months of service and are not collectively bargained employees, non-resident aliens or leased employees, are eligible to participate in the Plan. Individuals who became employees as a result of a Code 410(b)(6)(C) transaction are also excluded from the Plan. The Plan is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Plan Mergers — Effective December 31, 2021, The Challenger Group, Inc 401(k) Plan was merged into this Plan. Assets of \$1,489,925 were transferred into the Plan during the year ended December 31, 2022.

During 2022, the Carter Hill Homes, LLC Plan was merged into this Plan. Assets of \$515,231 were transferred into the Plan during the year ended December 31, 2022.

Contributions — A participant may elect to have a percentage of their compensation withheld by the Company and contributed to the Plan on their behalf as an elective contribution in lieu of receiving such amount as compensation. Such contributions may not exceed 80% of compensation and the limits established in the Internal Revenue Code (IRC).

The Company makes safe harbor contributions matching 100% of employee contributions up to the first 6% of employee contributions.

Participant Accounts — Each participant shall have one account and such account will be credited with the participant's contributions, an allocation of the Company's contributions, and an allocation of the Plan's earnings and losses. Participants direct the investments of their contributions into various investment options offered by the Plan.

The Plan's earnings or losses, excluding that related to participants' loans, are allocated to the participant's account based upon the proportion that each participant's account bears to the total participants' account balances related to that fund. Earnings resulting from loans to participants are credited to the respective participant's accounts.

Vesting — Participants are 100% vested in the amounts they contribute and the Company's safe harbor matching contributions.

The benefit to which a participant is entitled is the benefit that can be provided from the vested portion of the participant's account.

Notes Receivable from Participants — Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of (a) \$50,000 or (b) 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with prevailing rates. Principal and interest are paid ratably through regular payroll deductions.

Payment of Benefits — Upon separation of service, the Plan will distribute vested account balances not exceeding \$5,000 in a lump-sum as soon as administratively practicable. An employee with a vested account balance greater than \$5,000 may elect to receive a lump-sum payment equal to his or her account balance, roll over the vested account balance to an account of his or her choice, or maintain the vested balance in the Plan and continue to share in investment gains and losses.

A participant may also elect to receive an account distribution if the participant has attained the age 59½ or incurred a hardship in accordance with the Plan provisions.

Administrative Expenses — Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Investment related expenses are included in net appreciation or depreciation in fair value of investments.

Plan Termination — Although they have not expressed an intention to do so, the Company has the right to terminate the Plan at any time.

Tax Status — The Plan is a non-standardized pre-approved profit sharing plan of Farmer & Betts Inc. The Plan obtained its latest pre-approved plan determination letter dated June 30, 2020, stating that the Plan is qualified under Section 401 of the IRC. The Internal Revenue Service (IRS) stated that the prep-approved plan, as designed, was in compliance with the applicable requirements of the IRC. Although the Plan has adopted amendments since adopting the pre-approved plan, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has concluded that as of December 31, 2022, the Plan has no material uncertain tax positions.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The accompanying financial statements have been prepared on the accrual basis of accounting.

Valuation of Investments and Income Recognition — Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Plan Administrator determines the Plan's valuations utilizing information provided by the asset custodian. See Note 3 for information on fair value measurements.

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

All investment income from pooled separate accounts is included within the net appreciation or depreciation in fair value of investments consistent with the presentation provided by the Plan's custodian.

Use of Estimates — Preparation of financial statements in conformity with the accrual basis of accounting requires the Plan's management to make estimates and assumptions that affect the reported amounts of net assets and changes in net assets and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

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. No allowance for credit losses has been recorded as of December 31, 2022 and 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 when paid.

Subsequent Events — The Plan has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the financial statements were available for issuance.

3. INVESTMENTS

Fair Value Measurements — Generally accepted accounting principles require the Plan to use a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access.

Level 2: Prices determined using significant other observable inputs. 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: Prices determined using significant unobservable inputs.

The investment'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.

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

Pooled Separate Accounts — Valued at the net asset value of shares held by the Plan at year-end. The net asset value is used as a practical expedient to measure fair value. This practical expedient would not be used if it is determined to be probable that the investment will be sold for an amount different from the reported net asset value. There are no significant restrictions on the accounts.

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

Investments for which fair value is measured using the net asset value per share practical expedient are not categorized within the fair value hierarchy and therefore, the Plan holds no assets categorized within the fair value hierarchy. Investments at net asset value consist of the following:

	2022	2021
Pooled separate accounts measured at net asset value (excluded from fair value hierarchy)	<u>\$ 6,814,231</u>	<u>\$ 4,342,776</u>

4. INFORMATION PREPARED AND CERTIFIED BY THE CUSTODIAN

The following is a summary of the information obtained by management and agreed to or derived from information certified as complete and accurate by John Hancock Life Insurance Company (U.S.A.), the custodian of the Plan.

- Investments
- Notes receivable from participants
- Investment loss
 - Net depreciation in fair value of investments
- Interest income on notes receivable from participants
- Supplemental schedule of assets held at end of year

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 participants' account balances and the amounts reported in the statements of net assets available for benefits.

6. PARTY-IN-INTEREST TRANSACTIONS

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50% or more of such an employer or employee association, or relatives of such persons.

The Plan invested in pooled separate accounts of John Hancock Life Insurance Company (U.S.A.), the Plan custodian, and holds notes receivable from participants. Therefore, these transactions qualify as party-in-interest transactions.

7. RECONCILIATION OF FINANCIAL STATEMENTS TO THE FORM 5500

The following is a reconciliation of the changes in net assets available for benefits as stated in the financial statements and the related Form 5500 for the year ended December 31, 2022:

Transfers of assets to this plan per Form 5500	\$ 2,005,156
Contributions receivable - transfers, beginning of year	<u>(1,489,925)</u>
Transfers of assets to this plan per the financial statements	<u>\$ 515,231</u>

8. NON-EXEMPT PROHIBITED TRANSACTIONS – DELINQUENT PARTICIPANT CONTRIBUTIONS

Defined contribution plans are required to remit employee contributions to the plan as soon as they can be reasonably segregated from the employer's general assets. During 2022, contributions totaling \$112,522 were not timely remitted. Contributions totaling \$112,104 were remitted in 2022, contributions totaling \$418 were remitted in 2023 and lost earnings are expected to be remitted in 2024.

CHALLENGER HOMES 401(k) PLAN

SUPPLEMENTAL SCHEDULES

CHALLENGER HOMES 401(k) PLAN
EIN 82-3756084
PN 001

SCHEDULE H, LINE 4a — SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

Participant Contributions Transferred Late to Plan <hr/> Check Here if Late Participant Loan Repayments Are Included: <input checked="" type="checkbox"/>	<hr/> Total That Constitutes Non — Exempt Prohibited Transactions <hr/>			Total Fully Corrected Under VFCP and PTE 2002 – 51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
\$ 112,522	\$ 112,522	\$ —	\$ —	\$ —

CHALLENGER HOMES 401(k) PLAN
EIN 82-3756084
PN 001

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2022

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment	Current Value
Pooled separate accounts:		
* John Hancock Life Insurance & Annuity Company	AF American Balanced Fund	\$ 3,679,954
* John Hancock Life Insurance & Annuity Company	American Funds 2035 Target Date	494,948
* John Hancock Life Insurance & Annuity Company	AB Large Cap Growth Fund	392,473
* John Hancock Life Insurance & Annuity Company	500 Index Fund	242,764
* John Hancock Life Insurance & Annuity Company	Blue Chip Growth Fund	239,685
* John Hancock Life Insurance & Annuity Company	American Funds 2040 Target Date	217,737
* John Hancock Life Insurance & Annuity Company	Fidelity Midcap Index Fund	206,190
* John Hancock Life Insurance & Annuity Company	Lord Abbett High Yield Fund	172,909
* John Hancock Life Insurance & Annuity Company	Columbia Dividend Income Fund	138,756
* John Hancock Life Insurance & Annuity Company	Blackrock Global Allocation	122,424
* John Hancock Life Insurance & Annuity Company	American Funds 2025 Target Date	105,374
* John Hancock Life Insurance & Annuity Company	Money Market Fund	101,205
* John Hancock Life Insurance & Annuity Company	American Funds 2055 Target Date	100,013
* John Hancock Life Insurance & Annuity Company	PIMCO Invst Grade Credit Bond	95,595
* John Hancock Life Insurance & Annuity Company	TIAA CREF Small Cap Blend Index	76,891
* John Hancock Life Insurance & Annuity Company	Undiscovered Mgr Behavioral	59,093
* John Hancock Life Insurance & Annuity Company	American Funds New Perspective	54,360
* John Hancock Life Insurance & Annuity Company	T. Rowe Price Short Term Bond	46,324
* John Hancock Life Insurance & Annuity Company	DFA US Targeted Value Fund	42,340
* John Hancock Life Insurance & Annuity Company	American Century Small Cap	40,381
* John Hancock Life Insurance & Annuity Company	John Hancock Bond Fund	27,787
* John Hancock Life Insurance & Annuity Company	American Funds 2045 Target Date	27,521
* John Hancock Life Insurance & Annuity Company	TIAA CREF Large Cap Growth Index	24,439
* John Hancock Life Insurance & Annuity Company	American Funds 2065 Target Date	20,291
* John Hancock Life Insurance & Annuity Company	American Funds 2060 Target Date	19,330
* John Hancock Life Insurance & Annuity Company	Vanguard Total Intl Stock Index	13,739
* John Hancock Life Insurance & Annuity Company	American Funds 2010 Target Date	12,423
* John Hancock Life Insurance & Annuity Company	Vanguard Small Cap Grow Index	11,889
* John Hancock Life Insurance & Annuity Company	Vanguard Total World Stk Index ETF	8,987
* John Hancock Life Insurance & Annuity Company	Capital World Growth & Income	8,628
* John Hancock Life Insurance & Annuity Company	American Funds 2050 Target Date	5,228
* John Hancock Life Insurance & Annuity Company	PIMCO Real Return	2,513
* John Hancock Life Insurance & Annuity Company	Vanguard Total Bond Market Index	643
* John Hancock Life Insurance & Annuity Company	Parnassus Core Equity Fund	365
* John Hancock Life Insurance & Annuity Company	JP Morgan US Equity Fund	362
* John Hancock Life Insurance & Annuity Company	Invesco Small Cap Growth	361
* John Hancock Life Insurance & Annuity Company	T.Rowe Price Overseas Stock	135
* John Hancock Life Insurance & Annuity Company	American Century EM Fund	58

(Continued)

CHALLENGER HOMES 401(k) PLAN
EIN 82-3756084
PN 001

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2022

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment	Current Value
* John Hancock Life Insurance & Annuity Company	DFA Merging Markets Value	58
* John Hancock Life Insurance & Annuity Company	Northern EM Equity Index Fund	58
* John Hancock Life Insurance & Annuity Company	Unallocated cash	11,641
* Notes receivable from participants	Interest from 4.25% to 8.00%, maturity dates through November 2027	<u>43,390</u>
Total		<u>\$ 6,869,262</u>

* Represents a party-in-interest

(Concluded)