

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2023

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

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).

Department of Labor Employee Benefits Security Administration

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

Pension Benefit Guaranty Corporation

Part I Annual Report Identification Information

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

- A This return/report is for: [] a multiemployer plan [] a multiple-employer plan... [X] a single-employer plan [] a DFE... B This return/report is: [] the first return/report [X] the final return/report... C If the plan is a collectively-bargained plan... D Check box if filing under: [X] Form 5558 [] automatic extension... E If this is a retroactively adopted plan...

Part II Basic Plan Information—enter all requested information

1a Name of plan: WELK HOSPITALITY GROUP PROFIT SHARING PLAN
1b Three-digit plan number (PN): 002
1c Effective date of plan: 01/01/2012
2a Plan sponsor's name: CHAMPAGNE RESORTS, INC.
2b Employer Identification Number (EIN): 45-3672278
2c Plan Sponsor's telephone number: 760-749-3000
2d Business code: 531390

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.

Table with 4 columns: SIGN HERE, Signature, Date, Name. Rows for plan administrator, employer/plan sponsor, and DFE.

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

Form 5500 (2023) v. 230707

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	2271
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(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1)	958
	6a(2)	0
	6b	0
	6c	0
	6d	0
	6e	0
	6f	0
	6g(1)	2345
6g(2)	0	
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:
20 2Q 3I

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

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

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

a Pension Schedules	b General Schedules
(1) <input checked="" type="checkbox"/> R (Retirement Plan Information)	(1) <input checked="" type="checkbox"/> H (Financial Information)
(2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) <input type="checkbox"/> I (Financial Information – Small Plan)
(3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) <input type="checkbox"/> A (Insurance Information) – Number Attached _____
(4) <input type="checkbox"/> DCG (Individual Plan Information) – Number Attached <u>0</u>	(4) <input checked="" type="checkbox"/> C (Service Provider Information)
(5) <input type="checkbox"/> MEP (Multiple-Employer Retirement Plan Information)	(5) <input 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 2023 Form M-1 annual report. If the plan was not required to file the 2023 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning **01/01/2023** and ending **12/31/2023**

A Name of plan WELK HOSPITALITY GROUP PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 CHAMPAGNE RESORTS, INC.	D Employer Identification Number (EIN) 45-3672278	

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

ALERUS

45-0140105

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

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

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

PRINCIPAL

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 64	RECORDKEEPER /BOOKKEEPER	230680	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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

ROORDA PIQUET & BESSEE

33-0252865

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	ACCOUNTANT	39000	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
 (complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <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> 2023 This Form is Open to Public Inspection
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023			
A Name of plan WELK HOSPITALITY GROUP PROFIT SHARING PLAN	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:80%;">B Three-digit plan number (PN) ▶</td> <td style="width:20%; text-align: center;">002</td> </tr> </table>	B Three-digit plan number (PN) ▶	002
B Three-digit plan number (PN) ▶	002		
C Plan sponsor's name as shown on line 2a of Form 5500 CHAMPAGNE RESORTS, INC.	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:80%;">D Employer Identification Number (EIN) 45-3672278</td> </tr> </table>	D Employer Identification Number (EIN) 45-3672278	
D Employer Identification Number (EIN) 45-3672278			

Part I	Asset and Liability Statement
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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.

		(a) Beginning of Year	(b) End of Year
Assets			
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	11376696	
(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)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	11376696	0
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	11376696	0

Part II Income and Expense Statement

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

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	503675	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		503675
(2) Dividends:			
(A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		133088
d Total income. Add all income amounts in column (b) and enter total.....	2d		636763

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	11710779	
(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)		11710779
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses:			
(1) Salaries and allowances.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Recordkeeping fees.....	2i(3)	39000	
(4) IQPA audit fees.....	2i(4)		
(5) Investment advisory and investment management fees.....	2i(5)		
(6) Bank or trust company trustee/custodial fees.....	2i(6)		
(7) Actuarial fees.....	2i(7)		
(8) Legal fees.....	2i(8)		
(9) Valuation/appraisal fees.....	2i(9)		
(10) Other trustee fees and expenses.....	2i(10)		
(11) Other expenses.....	2i(11)	263680	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		302680
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		12013459

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-11376696
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

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

(1) Name: **ROORDA , PIQUET & BESSEE, INC.**

(2) EIN: **33-0252865**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) This form is filed for a CCT, PSA, DCG 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. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		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.)		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.).....		X	
e Was this plan covered by a fidelity bond?.....	X		20000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
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?		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?.....		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
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.).....		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?	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		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.			

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

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

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

5c 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> 2023 This Form is Open to Public Inspection.
--	---	---

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan <u>WELK HOSPITALITY GROUP PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ▶	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CHAMPAGNE RESORTS, INC.</u>	D Employer Identification Number (EIN) <u>45-3672278</u>	

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

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

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

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
EIN(s): 42-0127290

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 If the total number of participants is 1,000 or more, complete lines (a) and (b):

a Enter the percentage of plan assets held as:
 Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%
 High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:
 0-5 years 5-10 years 10-15 years 15 years or more

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.....

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).
 Design-based safe harbor method
 "Prior year" ADP test
 "Current year" ADP test
 N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/____ (MM/DD/YYYY) and the Opinion Letter serial number _____.

**WELK HOSPITALITY GROUP, INC.
PROFIT SHARING PLAN**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

DECEMBER 31, 2023 AND 2022

**WELK HOSPITALITY GROUP, INC.
PROFIT SHARING PLAN**

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INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of the
Welk Hospitality Group, Inc. Profit Sharing Plan

Opinion

We have audited the accompanying financial statements of Welk Hospitality Group, Inc. Profit Sharing Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2023 (in liquidation) and 2022 (in liquidation), and the related statement of changes in net assets available for benefits for the year ended December 31, 2023 (in liquidation), and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Welk Hospitality Group, Inc. Profit Sharing Plan as of December 31, 2023 (in liquidation) and 2022 (in liquidation), and the changes in its net assets available for benefits for the year ended December 31, 2023 (in liquidation), in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Welk Hospitality Group, Inc. Profit Sharing Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

As discussed in Note 1 to the financial statements, during the 2021 plan year, Welk Hospitality Group, Inc. (the former Plan Sponsor) was acquired by an unrelated company and the Plan was terminated and converted to a profit sharing plan. As a result, the Plan has changed its basis of accounting to the liquidation basis in presenting the 2023 and 2022 financial statements. Our opinion is not modified with respect to this matter.

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 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' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Welk Hospitality Group, Inc. Profit Sharing 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.

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.

Roorda, Piquet & Bessee, Inc.

Roorda, Piquet & Bessee, Inc.
Riverside, California
September 23, 2024

WELK HOSPITALITY GROUP, INC.
PROFIT SHARING PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2023	December 31, 2022
	(in Liquidation)	(in Liquidation)
Assets:		
Cash and cash equivalents	\$ -	\$ 11,376,696
Total assets	<u>-</u>	<u>11,376,696</u>
Net assets available for benefits	<u>\$ -</u>	<u>\$ 11,376,696</u>

WELK HOSPITALITY GROUP, INC.
PROFIT SHARING PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2023
	(in Liquidation)
Additions:	
Additional proceeds from sale of Company stock	\$ 133,088
Interest income	503,675
Total additions	<u>636,763</u>
Deductions:	
Distributions to participants	11,710,779
Administrative expenses	302,680
Total deductions	<u>12,013,459</u>
Net decrease	(11,376,696)
Net assets available for benefits:	
Beginning of year	<u>11,376,696</u>
End of year	<u><u>\$ -</u></u>

WELK HOSPITALITY GROUP, INC.
PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 - PLAN DESCRIPTION AND BASIS OF PRESENTATION

The following description of the Welk Hospitality Group, Inc. Employee Stock Ownership Plan (Plan) provides only general information. Participants should refer to the Plan document and the Plan's Summary Plan Description for a more complete description of the Plan's provisions.

Welk Hospitality Group, Inc. (Company) established the Plan effective as of January 1, 2012. The Plan operated as a leveraged employee stock ownership plan (ESOP) and is designed to comply with applicable regulations of the Internal Revenue Code of 1986, as amended (Code). It is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by an Administrative Committee (Committee) appointed by the board of directors of the Company.

Effective April 1, 2021, an unrelated third party, Marriot Vacations Worldwide Corporation, purchased all of the outstanding common stock of Welk Hospitality Group, Inc. held by the Plan. During the year ended December 31, 2021, the Plan's independent trustee and administrative committee initiated the process for terminating the ESOP and distributing all assets to the participants. As of the effective date of the sale the Plan ceased to be a stock bonus plan under Section 401(a) of the Code and an employee stock ownership plan under Section 4975(e)(7) of the Code Section 407(d)(6) of ERISA, but shall continue as a profit sharing plan under Section 401(a) of the Code until all funds have been distributed, transferred or paid out of the Trust. Effective on the date of the closing the name of the Plan was changed to the Welk Hospitality Group, Inc. Profit Sharing Plan. The Plan no longer will hold any shares of Company stock, and there will not be any Acquisition Loans or Financed Shares under the Plan. All distributions under the Plan will be paid in cash.

The termination restricts any new employees from entering the Plan, no further Company contributions will be made to the Plan, and all participant account balances became fully vested. The Company received a favorable determination letter dated April 19, 2022 from the Internal Revenue Service (IRS) with regard to the plan termination amendment and prior amendments. All plan benefits were distributed in accordance with the termination provisions of the Plan.

Eligibility

The Plan covers employees of Welk Hospitality Group, Inc. and its subsidiaries (Participating Employers). All eligible employees who have performed a year of service (i.e. completed 1,000 hours of service during the Plan year), attained the age of 18, and are not (i) leased employees, (ii) U.S. employees whose benefits are governed by a collective bargaining agreement, or (iii) employees of an affiliated employer that has not adopted the Plan are eligible to participate in the Plan.

WELK HOSPITALITY GROUP, INC.
PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Payments of Benefits

The Plan provides for the distribution of the participant's vested account upon normal retirement, disability, death, or termination of employment. For any reason other than termination of employment, distribution of a participant's vested account balance will commence as a lump sum in the year following the year in which their retirement, disability or death occurred. For termination of employment, distribution of a participant's vested account balance will commence during the fifth plan year following the year of termination unless the vested account balance is less than \$5,000 (or \$1,000 for participants employed in Mexico), which will be paid as a lump sum in the year following the year in which the termination occurred. Distributions shall be paid in equal installments over a period not to exceed five years (or up to ten years for balances greater than \$1,080,000 as allowed under current law). The distributions are either paid in cash or rolled over into an individual retirement account unless the participant elects otherwise.

Administrative Expenses

As provided in the Plan Agreement, administrative expenses may be paid either by the Plan or by the Company. The Company has historically paid the majority of the operating expenses for the Plan. For the year ended December 31, 2023, the Plan paid \$302,680 of operating expenses.

Participant Accounts

Four accounts are maintained for each participant: (1) the Company Stock Account is credited annually with participants' allocable shares of Company stock (including fractional shares) acquired by the Plan and the non-vested balances of terminated employees; (2) the Other Investment Account is credited annually with participants' allocation of employer discretionary contributions and any income or expenses of the Plan; (3) the 401(k) Safe Harbor Account is credited with employer safe harbor contributions; and (4) the Stock Bonus Account is credited with shares of non-ESOP stock, if applicable.

Vesting

Participants are 100% vested upon death, disability, or normal retirement (defined as the earlier of age 65 or age 60 with five years of vested service). Participants are also 100% vested in safe harbor employer contributions. All other participants and accounts vest according to the following schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
1 year	20%
2 years, but less than 3	40%
3 years, but less than 4	60%
4 years, but less than 5	80%
5 years or more	100%

WELK HOSPITALITY GROUP, INC.
PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

As of April 1, 2021, all participants became 100% vested in their funds as a result of the acquisition of the Company and Plan termination.

Diversification

Diversification is permitted for participants who are at least age 55 and at least 10 years of participation in the Plan to transfer the value of the participant's investment in Company stock into another qualified defined contribution plan sponsored by the Company. Eligible participants may transfer the value of up to 25% of the number of shares allocated to his or her account, less any shares previously diversified, annually over a 5-year period and increases to 50% of the number of shares in the sixth year following the diversification election.

Forfeited Accounts

Forfeitures of terminated, non-vested participant accounts are first used to restore account balances of former participants rehired during the Plan year. Any remaining forfeitures are reallocated to each participant who is both employed on that last day of the Plan year (December 31st) and have completed 1,000 hours of service during the Plan year. Forfeitures are allocated in the same ratio as such participant's eligible compensation bears to the total eligible compensation of all such participants. For the years ended December 31, 2023 and 2022, there were no forfeitures reallocated to participants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

As discussed in Note 1, the Company was acquired by an unrelated company, the Plan was terminated and all assets have been distributed to the participants. As a result, the Plan has changed its basis of accounting to the liquidation basis of accounting in the 2023 and 2022 financial statements. The estimated net realizable value of Plan investments as of December 31, 2023 and 2022 would be equivalent to fair value and no material adjustment was required in the change in basis accounting.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

WELK HOSPITALITY GROUP, INC.
PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Allocations

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

Investment Valuation and Income Recognition

The shares of Company common stock are reported at fair value. See Note 4 for a discussion of the fair value measurements. Dividend income is accrued on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Cash and Cash Equivalents

Cash and cash equivalents consists of monies held in federal money market funds.

Payment of Benefits

Benefits are recorded when paid.

NOTE 3 - INVESTMENTS

The following is a summary of the fair value of investments. All investments are non-participant directed.

	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Investments at fair value as determined by cost:		
Cash and cash equivalents	\$ -	\$ 11,376,696

NOTE 4 - RELATED PARTIES AND PARTIES IN INTEREST TRANSACTIONS

As described in Note 1, the Company may pay for plan expenses. The Plan has a number of service providers. Such providers are parties in interest under ERISA.

WELK HOSPITALITY GROUP, INC.
PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 5 - PLAN TERMINATION

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon termination of the Plan, the Plan Committee directs the Trustee to pay all liabilities and expenses of the ESOP and to sell shares of financed common stock held as collateral to the extent it determines such sale to be necessary in order to repay the loan. Subsequently, the interest of each participant in the trust fund will be distributed to such participant or their beneficiary at the time prescribed by the Plan terms and the IRC. Participants will become 100% vested if the Plan is terminated or partially terminated.

As described in Note 1 effective April 1, 2021, all of the issued and outstanding common stock of the Company held by the Plan was sold to Marriot Vacations Worldwide Corporation, an unrelated third party. The purchase consideration (plus or minus post-closing adjustments) was paid directly to the Employee Stock Ownership Trust. As of April 1, 2021, plan participants became fully vested in accrued benefits of the plan. Plan assets have been fully distributed to the ESOP participants in accordance with Plan provisions.

NOTE 6 - TAX STATUS

The Plan has received a determination letter from the IRS dated April 19, 2022, stating that the Plan is qualified under the IRC and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan administrator believes that the Plan is currently designed, and being operated, in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan was qualified, and the related trust was tax-exempt as of the financial statement date.

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 organization has taken a significant uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 7 - SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through September 23, 2024, the date the financial statements were available to be issued and concluded that there were no events that required recording or disclosure in the financial statements as of December 31, 2023.

**WELK HOSPITALITY GROUP, INC.
PROFIT SHARING PLAN**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

DECEMBER 31, 2023 AND 2022

**WELK HOSPITALITY GROUP, INC.
PROFIT SHARING PLAN**

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INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of the
Welk Hospitality Group, Inc. Profit Sharing Plan

Opinion

We have audited the accompanying financial statements of Welk Hospitality Group, Inc. Profit Sharing Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2023 (in liquidation) and 2022 (in liquidation), and the related statement of changes in net assets available for benefits for the year ended December 31, 2023 (in liquidation), and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Welk Hospitality Group, Inc. Profit Sharing Plan as of December 31, 2023 (in liquidation) and 2022 (in liquidation), and the changes in its net assets available for benefits for the year ended December 31, 2023 (in liquidation), in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Welk Hospitality Group, Inc. Profit Sharing Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

As discussed in Note 1 to the financial statements, during the 2021 plan year, Welk Hospitality Group, Inc. (the former Plan Sponsor) was acquired by an unrelated company and the Plan was terminated and converted to a profit sharing plan. As a result, the Plan has changed its basis of accounting to the liquidation basis in presenting the 2023 and 2022 financial statements. Our opinion is not modified with respect to this matter.

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 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' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Welk Hospitality Group, Inc. Profit Sharing 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.

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.

Roorda, Piquet & Bessee, Inc.

Roorda, Piquet & Bessee, Inc.
Riverside, California
September 23, 2024

WELK HOSPITALITY GROUP, INC.
PROFIT SHARING PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2023	December 31, 2022
	(in Liquidation)	(in Liquidation)
Assets:		
Cash and cash equivalents	\$ -	\$ 11,376,696
Total assets	<u>-</u>	<u>11,376,696</u>
Net assets available for benefits	<u>\$ -</u>	<u>\$ 11,376,696</u>

WELK HOSPITALITY GROUP, INC.
PROFIT SHARING PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2023
	(in Liquidation)
Additions:	
Additional proceeds from sale of Company stock	\$ 133,088
Interest income	503,675
Total additions	<u>636,763</u>
Deductions:	
Distributions to participants	11,710,779
Administrative expenses	302,680
Total deductions	<u>12,013,459</u>
Net decrease	(11,376,696)
Net assets available for benefits:	
Beginning of year	<u>11,376,696</u>
End of year	<u><u>\$ -</u></u>

WELK HOSPITALITY GROUP, INC.
PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 - PLAN DESCRIPTION AND BASIS OF PRESENTATION

The following description of the Welk Hospitality Group, Inc. Employee Stock Ownership Plan (Plan) provides only general information. Participants should refer to the Plan document and the Plan's Summary Plan Description for a more complete description of the Plan's provisions.

Welk Hospitality Group, Inc. (Company) established the Plan effective as of January 1, 2012. The Plan operated as a leveraged employee stock ownership plan (ESOP) and is designed to comply with applicable regulations of the Internal Revenue Code of 1986, as amended (Code). It is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by an Administrative Committee (Committee) appointed by the board of directors of the Company.

Effective April 1, 2021, an unrelated third party, Marriot Vacations Worldwide Corporation, purchased all of the outstanding common stock of Welk Hospitality Group, Inc. held by the Plan. During the year ended December 31, 2021, the Plan's independent trustee and administrative committee initiated the process for terminating the ESOP and distributing all assets to the participants. As of the effective date of the sale the Plan ceased to be a stock bonus plan under Section 401(a) of the Code and an employee stock ownership plan under Section 4975(e)(7) of the Code Section 407(d)(6) of ERISA, but shall continue as a profit sharing plan under Section 401(a) of the Code until all funds have been distributed, transferred or paid out of the Trust. Effective on the date of the closing the name of the Plan was changed to the Welk Hospitality Group, Inc. Profit Sharing Plan. The Plan no longer will hold any shares of Company stock, and there will not be any Acquisition Loans or Financed Shares under the Plan. All distributions under the Plan will be paid in cash.

The termination restricts any new employees from entering the Plan, no further Company contributions will be made to the Plan, and all participant account balances became fully vested. The Company received a favorable determination letter dated April 19, 2022 from the Internal Revenue Service (IRS) with regard to the plan termination amendment and prior amendments. All plan benefits were distributed in accordance with the termination provisions of the Plan.

Eligibility

The Plan covers employees of Welk Hospitality Group, Inc. and its subsidiaries (Participating Employers). All eligible employees who have performed a year of service (i.e. completed 1,000 hours of service during the Plan year), attained the age of 18, and are not (i) leased employees, (ii) U.S. employees whose benefits are governed by a collective bargaining agreement, or (iii) employees of an affiliated employer that has not adopted the Plan are eligible to participate in the Plan.

WELK HOSPITALITY GROUP, INC.
PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Payments of Benefits

The Plan provides for the distribution of the participant's vested account upon normal retirement, disability, death, or termination of employment. For any reason other than termination of employment, distribution of a participant's vested account balance will commence as a lump sum in the year following the year in which their retirement, disability or death occurred. For termination of employment, distribution of a participant's vested account balance will commence during the fifth plan year following the year of termination unless the vested account balance is less than \$5,000 (or \$1,000 for participants employed in Mexico), which will be paid as a lump sum in the year following the year in which the termination occurred. Distributions shall be paid in equal installments over a period not to exceed five years (or up to ten years for balances greater than \$1,080,000 as allowed under current law). The distributions are either paid in cash or rolled over into an individual retirement account unless the participant elects otherwise.

Administrative Expenses

As provided in the Plan Agreement, administrative expenses may be paid either by the Plan or by the Company. The Company has historically paid the majority of the operating expenses for the Plan. For the year ended December 31, 2023, the Plan paid \$302,680 of operating expenses.

Participant Accounts

Four accounts are maintained for each participant: (1) the Company Stock Account is credited annually with participants' allocable shares of Company stock (including fractional shares) acquired by the Plan and the non-vested balances of terminated employees; (2) the Other Investment Account is credited annually with participants' allocation of employer discretionary contributions and any income or expenses of the Plan; (3) the 401(k) Safe Harbor Account is credited with employer safe harbor contributions; and (4) the Stock Bonus Account is credited with shares of non-ESOP stock, if applicable.

Vesting

Participants are 100% vested upon death, disability, or normal retirement (defined as the earlier of age 65 or age 60 with five years of vested service). Participants are also 100% vested in safe harbor employer contributions. All other participants and accounts vest according to the following schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
1 year	20%
2 years, but less than 3	40%
3 years, but less than 4	60%
4 years, but less than 5	80%
5 years or more	100%

WELK HOSPITALITY GROUP, INC.
PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

As of April 1, 2021, all participants became 100% vested in their funds as a result of the acquisition of the Company and Plan termination.

Diversification

Diversification is permitted for participants who are at least age 55 and at least 10 years of participation in the Plan to transfer the value of the participant's investment in Company stock into another qualified defined contribution plan sponsored by the Company. Eligible participants may transfer the value of up to 25% of the number of shares allocated to his or her account, less any shares previously diversified, annually over a 5-year period and increases to 50% of the number of shares in the sixth year following the diversification election.

Forfeited Accounts

Forfeitures of terminated, non-vested participant accounts are first used to restore account balances of former participants rehired during the Plan year. Any remaining forfeitures are reallocated to each participant who is both employed on that last day of the Plan year (December 31st) and have completed 1,000 hours of service during the Plan year. Forfeitures are allocated in the same ratio as such participant's eligible compensation bears to the total eligible compensation of all such participants. For the years ended December 31, 2023 and 2022, there were no forfeitures reallocated to participants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

As discussed in Note 1, the Company was acquired by an unrelated company, the Plan was terminated and all assets have been distributed to the participants. As a result, the Plan has changed its basis of accounting to the liquidation basis of accounting in the 2023 and 2022 financial statements. The estimated net realizable value of Plan investments as of December 31, 2023 and 2022 would be equivalent to fair value and no material adjustment was required in the change in basis accounting.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

WELK HOSPITALITY GROUP, INC.
PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Allocations

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

Investment Valuation and Income Recognition

The shares of Company common stock are reported at fair value. See Note 4 for a discussion of the fair value measurements. Dividend income is accrued on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Cash and Cash Equivalents

Cash and cash equivalents consists of monies held in federal money market funds.

Payment of Benefits

Benefits are recorded when paid.

NOTE 3 - INVESTMENTS

The following is a summary of the fair value of investments. All investments are non-participant directed.

	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Investments at fair value as determined by cost:		
Cash and cash equivalents	\$ -	\$ 11,376,696

NOTE 4 - RELATED PARTIES AND PARTIES IN INTEREST TRANSACTIONS

As described in Note 1, the Company may pay for plan expenses. The Plan has a number of service providers. Such providers are parties in interest under ERISA.

WELK HOSPITALITY GROUP, INC.
PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 5 - PLAN TERMINATION

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon termination of the Plan, the Plan Committee directs the Trustee to pay all liabilities and expenses of the ESOP and to sell shares of financed common stock held as collateral to the extent it determines such sale to be necessary in order to repay the loan. Subsequently, the interest of each participant in the trust fund will be distributed to such participant or their beneficiary at the time prescribed by the Plan terms and the IRC. Participants will become 100% vested if the Plan is terminated or partially terminated.

As described in Note 1 effective April 1, 2021, all of the issued and outstanding common stock of the Company held by the Plan was sold to Marriot Vacations Worldwide Corporation, an unrelated third party. The purchase consideration (plus or minus post-closing adjustments) was paid directly to the Employee Stock Ownership Trust. As of April 1, 2021, plan participants became fully vested in accrued benefits of the plan. Plan assets have been fully distributed to the ESOP participants in accordance with Plan provisions.

NOTE 6 - TAX STATUS

The Plan has received a determination letter from the IRS dated April 19, 2022, stating that the Plan is qualified under the IRC and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan administrator believes that the Plan is currently designed, and being operated, in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan was qualified, and the related trust was tax-exempt as of the financial statement date.

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 organization has taken a significant uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 7 - SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through September 23, 2024, the date the financial statements were available to be issued and concluded that there were no events that required recording or disclosure in the financial statements as of December 31, 2023.