

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 6047(e), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ 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)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>HARGROVE, INC. 401(K) PROFIT SHARING PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1993</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1993</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1993</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>HARGROVE, INC.</u> <u>1 HARGROVE DR</u> <u>LANHAM, MD 20706-1804</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>52-0697413</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>301-306-9000</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>561490</u></td> </tr> <tr> <td style="height: 40px;"></td> </tr> </table>	2b Employer Identification Number (EIN) <u>52-0697413</u>	2c Sponsor's telephone number <u>301-306-9000</u>	2d Business code (see instructions) <u>561490</u>	
2b Employer Identification Number (EIN) <u>52-0697413</u>					
2c Sponsor's telephone number <u>301-306-9000</u>					
2d Business code (see instructions) <u>561490</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	07/27/2011	SETH HENDERSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/27/2011	SETH HENDERSON
	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 and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") HARGROVE, INC. 1 HARGROVE DR LANHAM, MD 20706-1804	3b Administrator's EIN 52-0697413 3c Administrator's telephone number 301-306-9000
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	259
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	193
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	30
d Subtotal. Add lines 6a , 6b , and 6c	6d	223
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	223
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	196
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	21

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2J 2K 2S 2T 3F

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

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ ¹ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance 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. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan HARGROVE, INC. 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500. HARGROVE, INC.	D Employer Identification Number (EIN) 52-0697413	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0127290	61271	435194	223	01/01/2010	12/31/2010

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
7779	6320

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

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

MML INSURANCE AGENCY LLC
COMMISSIONS
PO BOX 8088
BOSTON, MA 02266-8088

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
7779	3711	REFERRAL/SERVICE FEE	3

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

MML INVESTORS SERVICES LLC
3701 CORPORATE PKWY
STE 320
CENTER VALLEY, PA 18034

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
0	2609	PRORATED INCENTIVE, NOT DEDUCTED FROM PLAN	3

(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

(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

(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	0
5 Current value of plan's interest under this contract in separate accounts at year end	5	3315076

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) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ 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 b and c(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 e(5) from d)	7f	0

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 organization(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)	
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)	
(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)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ 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 c(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, item 2 above, report amount.	10b	

Specify nature of costs ▶

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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan HARGROVE, INC. 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 HARGROVE, INC.	D Employer Identification Number (EIN) 52-0697413	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRINCIPAL LIFE INSURANCE COMPANY
42-0127290

(b) Enter name and EIN or address of person who provided you disclosure 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 LIFE INSURANCE COMPANY

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?
13 37 50 64	CONTRACT ADMINISTRATOR	29753	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

REGARDIE BROOKS & LEWIS

52-1038701

(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	ACCOUNTANT	24100	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

<p style="text-align: center;">SCHEDULE D (Form 5500)</p> <p style="text-align: center; font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="text-align: center; font-size: small;">Department of Labor Employee Benefits Security Administration</p>	<p style="text-align: center;">DFE/Participating Plan Information</p> <p style="text-align: center; font-size: small;">This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</p> <p style="text-align: center; font-weight: bold;">▶ File as an attachment to Form 5500.</p>	<p style="text-align: center; font-size: small;">OMB No. 1210-0110</p> <hr/> <p style="text-align: center; font-size: large; font-weight: bold;">2010</p> <hr/> <p style="text-align: center; font-size: small; font-weight: bold;">This Form is Open to Public Inspection.</p>
<p>For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010</p>		
<p>A Name of plan HARGROVE, INC. 401(K) PROFIT SHARING PLAN</p>		<p>B Three-digit plan number (PN) 001</p>
<p>C Plan or DFE sponsor's name as shown on line 2a of Form 5500 HARGROVE, INC.</p>		<p>D Employer Identification Number (EIN) 52-0697413</p>
<p>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)</p>		
<p>a Name of MTIA, CCT, PSA, or 103-12 IE: PRINCIPAL STABLE VALUE FUND</p>		
<p>b Name of sponsor of entity listed in (a): UNION BOND & TRUST COMPANY</p>		
<p>c EIN-PN 93-6274328-001</p>	<p>d Entity code C</p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 694368</p>
<p>a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LGCAP VALUE SEP ACCT-R6</p>		
<p>b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY</p>		
<p>c EIN-PN 42-0127290-019</p>	<p>d Entity code P</p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 55198</p>
<p>a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMCAP VALUE SEP ACCT-R6</p>		
<p>b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY</p>		
<p>c EIN-PN 42-0127290-031</p>	<p>d Entity code P</p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 82178</p>
<p>a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN U.S. PROPERTY SEP ACCT-R6</p>		
<p>b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY</p>		
<p>c EIN-PN 42-0127290-027</p>	<p>d Entity code P</p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 222353</p>
<p>a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN BOND AND MORTGAGE SA-R6</p>		
<p>b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY</p>		
<p>c EIN-PN 42-0127290-005</p>	<p>d Entity code P</p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 614130</p>
<p>a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LGCAP S&P 500 INDEX SA-R6</p>		
<p>b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY</p>		
<p>c EIN-PN 42-0127290-016</p>	<p>d Entity code P</p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 571723</p>
<p>a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP VALUE I SA-R6</p>		
<p>b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY</p>		
<p>c EIN-PN 42-0127290-043</p>	<p>d Entity code P</p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 96394</p>

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP S&P 400 IDX SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-023	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 228251

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN INTL GROWTH SEP ACCT-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-064	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 158383

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LARGE CAP GROWTH II SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-067	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 156516

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2010 SEP ACCT-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-075	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 61951

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2020 SEP ACCT-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-076	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 369627

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2030 SEP ACCT-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-077	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 239374

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2040 SEP ACCT-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-078	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 197579

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2050 SEP ACCT-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-079	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 129159

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME STRAT INC SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-080	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 18897

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN PREF SECS SEP ACCT-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-087	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 113362

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan HARGROVE, INC. 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN)	001
C Plan sponsor's name as shown on line 2a of Form 5500 HARGROVE, INC.	D Employer Identification Number (EIN) 52-0697413	

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.

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)	1537	755
(2) Participant contributions	1b(2)	16986	9027
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(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)	182917	257495
(9) Value of interest in common/collective trusts.....	1c(9)	574345	694368
(10) Value of interest in pooled separate accounts.....	1c(10)	2624127	3315076
(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)	2023922	2559176
(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	5423834	6835897

Liabilities

g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	0	
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	5423834	6835897
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	44576	
(B) Participants	2a(1)(B)	623323	
(C) Others (including rollovers)	2a(1)(C)	332304	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1000203
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	9280	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		9280
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	21038	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		21038
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		22930
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		408734
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		385130
c Other income.....	2c		39
d Total income. Add all income amounts in column (b) and enter total.....	2d		1847354

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	380909	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		380909
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	24200	
(2) Contract administrator fees	2i(2)	30182	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		54382
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		435291

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		1412063
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

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

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

(1) Name: REGARDIE, BROOKS & LEWIS

(2) EIN: 52-1038701

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 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....	X		762
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	0
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	0
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	0
e Was this plan covered by a fidelity bond?.....	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		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?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 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)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>		
A Name of plan <u>HARGROVE, INC. 401(K) PROFIT SHARING 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>HARGROVE, INC.</u>		
D Employer Identification Number (EIN) <u>52-0697413</u>		

Part I	Distributions
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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	<u>0</u>
----------	----------

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	
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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)
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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

6a	
b Enter the amount contributed by the employer to the plan for this plan year	
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 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
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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(es). If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

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

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

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

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 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 items (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 item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

HARGROVE, INC. 401(k) PROFIT SHARING PLAN
LANHAM, MARYLAND

FINANCIAL REPORT
FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009

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REGARDIE, BROOKS & LEWIS

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INDEPENDENT AUDITOR'S REPORT

June 20, 2011

To the Plan Administrator
Hargrove, Inc. 401(k) Profit Sharing Plan
Lanham, Maryland

We were engaged to audit the accompanying statements of net assets available for benefits of Hargrove, Inc. 401(k) Profit Sharing Plan as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended and the supplemental schedules of (1) Schedule H, line 4i - Schedule of Assets (Held at End of Year), and (2) Schedule H, line 4a - Schedule of Delinquent Participant Contributions as of and for the year ended December 31, 2010. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information in note 3 which was certified by Principal Life Insurance Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2010 and 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Regardie, Brooks & Lewis

Certified Public Accountants

HARGROVE, INC. 401(k) PROFIT SHARING PLAN
LANHAM, MARYLAND

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2010	2009
<u>Assets:</u>		
Investments, at fair value (note 5):		
Participant-directed accounts (note 3):		
Pooled separate accounts (note 6)	\$ 3,315,076	\$ 2,624,127
Mutual funds	2,559,176	2,023,922
Collective investment trust (notes 4 and 6)	694,368	574,345
Total investments	<u>6,568,620</u>	<u>5,222,394</u>
Receivables:		
Participants' contributions	9,027	16,986
Employer's contributions	755	1,537
Notes receivable from participants	257,495	182,917
Total receivables	<u>267,277</u>	<u>201,440</u>
<u>Net assets reflecting investments at fair value</u>	6,835,897	5,423,834
Adjustment from fair value to contract value for fully benefit-responsive collective investment trust (notes 2A and 4)	<u>(13,898)</u>	<u>(3,854)</u>
Net assets available for benefits	<u>\$ 6,821,999</u>	<u>\$ 5,419,980</u>

See the accompanying independent auditor's report.
The accompanying notes are an integral part of these financial statements.

HARGROVE, INC. 401(k) PROFIT SHARING PLAN
LANHAM, MARYLAND

STATEMENTS OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS

	Years ended December 31, 2010	2009
<u>Additions to net assets attributed to:</u>		
Investment gain:		
Net appreciation in fair value of investments (note 3)	\$ 806,789	\$ 610,150
Interest income	9,280	9,735
Dividend income	21,038	18,127
	<u>837,107</u>	<u>638,012</u>
Contributions:		
Participants' elective deferral	623,323	627,190
Employer's contributions	44,576	84,626
Participants' rollover	332,304	9,116
	<u>1,000,203</u>	<u>720,932</u>
Total contributions	<u>1,000,203</u>	<u>720,932</u>
Total additions to net assets	<u>1,837,310</u>	<u>1,358,944</u>
<u>Deductions from net assets attributed to:</u>		
Benefits paid to participants	380,909	296,454
Fees and expenses	54,382	51,404
Total expenses	435,291	347,858
Transfer of assets to other plan (note 13)	-	55,604
	<u>435,291</u>	<u>403,462</u>
Total deductions from net assets	<u>435,291</u>	<u>403,462</u>
Net increase for the year	1,402,019	955,482
<u>Net assets available for benefits:</u>		
Beginning of year	5,419,980	4,464,498
End of year	<u>\$ 6,821,999</u>	<u>\$ 5,419,980</u>

See the accompanying independent auditor's report.
The accompanying notes are an integral part of these financial statements.

HARGROVE, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

1 - Description of Plan.

- | | | |
|--------------------------------|---|---|
| Employer | - | Hargrove, Inc. |
| Plan Administrator | - | Hargrove, Inc. |
| Employer identification number | - | 52-0697413 |
| Date of Plan adoption | - | January 1, 1993 (restated April 13, 2009) |
| Purpose | - | To enable eligible employees of Hargrove, Inc. and Shenandoah Caverns, Inc. (until January 2009 only - see note 13) (the Companies) to accumulate funds for use at retirement. |
| Employee eligibility | - | To be eligible for purposes of 401(k) elective deferral contributions, an employee must have completed a minimum of 90 days of service, have reached the age of 21, and must not be a member of a collective bargaining unit. |
| Contributions | - | Participants may contribute a percentage of pretax annual compensation subject to statutory limits. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans (rollovers). |

The Companies may make a discretionary profit sharing contribution to participants who have completed more than 500 hours of service during the plan year or to those participants who have terminated employment during the plan year due to death, retirement, or total and permanent disability. During the years ended December 31, 2010 and 2009, no discretionary profit sharing contributions were made.

The Companies may make discretionary matching contributions. Prior to April 13, 2009, all participants who contribute to the Plan and have completed at least 90 days of service are eligible for discretionary matching contributions. Starting April 13, 2009, in addition to the service requirement, the participant's annual compensation cannot exceed \$50,000 to be eligible for discretionary matching contributions. For the years ended December 31, 2010 and 2009, the Companies made matching contributions equal to 50% of every dollar contributed by the participant up to 4% of compensation totaling \$44,576 in 2010 and \$84,626 in 2009.

HARGROVE, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

1 - Description of Plan (continued).

Investment options - Upon enrollment in the Plan, a participant may direct contributions to any of the designated pooled separate accounts, mutual funds, and collective investment trust which are available in the Plan. Participants may change their investment options at their discretion.

Vesting - Participants are always fully vested in their elective deferral and qualified non-elective contributions, and any earnings thereon. Employer matching or discretionary contributions and employer profit sharing contributions will be vested in accordance with the following schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
Less than 1	0%
1	25
2	50
3	75
4 or more	100

Loans - Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of 50% of their vested account balance or \$50,000. The loans are secured by the balance in the participant's account and bear interest based on prevailing rates as determined by Plan Administrator. Loans approved for a participant in any 12-month period shall be limited to two, and only one loan may be outstanding at a time. Principal and interest is payable weekly through payroll deductions. The outstanding loan balances as of December 31, 2010 and 2009 were \$257,495 and \$182,917, respectively, with rates ranging from 3% to 8% in 2010 and in 2009.

Forfeitures - Forfeited contributions are allocated to pay Plan expenses and reduce subsequent year employer contributions. Forfeited amounts used to reduce employer contributions amounted to \$0 and \$1,993 in 2010 and 2009, respectively. The forfeiture balance was \$8,487 and \$3,732 at December 31, 2010 and 2009, respectively.

HARGROVE, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

1 - Description of Plan (continued).

- Administrative costs - All transactional expenses are deducted from the participant's proceeds or added to their cost. Significant administrative costs are paid by the Plan. Administrative expenses paid by the Plan for the years ended December 31, 2010 and 2009 amounted to \$54,382 and \$51,404, respectively.
- Participants' accounts - Each participant's account is credited with the employee's elective deferral contributions, employer's matching contributions, an allocation of the Companies' discretionary contributions, if any, and the earnings of the selected investments. Earnings are based on investment alternatives selected by the participants. Allocations are based on participant earnings or account balances, as defined.
- Distributions - On termination of service due to death, disability, or retirement, a participant may elect to receive a lump sum amount equal to the vested portion of his or her account, or annual installments over the participant's lifetime, as described in the Plan agreement. Hardship distributions are permitted if certain conditions are met. In-service withdrawals are also permitted for participants who have reached age 59 ½.
- Type of plan - Defined Contribution 401(k) Profit Sharing Plan. ERISA 404(c) compliant.

2 - Significant accounting policies.

A. Accounting method.

The accompanying financial statements of the Plan are presented on the accrual basis of accounting.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The accompanying statements of net assets available for benefits present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The accompanying statements of changes in net assets available for benefits are prepared on a contract value basis.

HARGROVE, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

2 - Significant accounting policies (continued).

B. Investment valuation and income recognition.

Investments are reported at fair value as reported by the trustee. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See note 5 for discussion of fair value measurements.

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

C. Notes receivable from participants.

Loans to participants are reported at their unpaid balances plus any accrued but unpaid interest.

D. Payment of benefits.

Benefits are recorded when paid.

E. Use of estimates.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Evaluation of subsequent events.

Management has evaluated subsequent events through June 20, 2011, which is the date the financial statements were available to be issued.

HARGROVE, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

3 - Information prepared and certified by trustee.

The following table presents the fair values of the investments in this Plan that were obtained from the data that has been prepared and certified to as complete and accurate by the trustee, Principal Life Insurance Company (Principal). The fair values of investments are measured on a recurring basis at December 31, 2010 and 2009 (see also note 6). Single investments representing 5% or more of the Plan's net assets are separately identified:

	December 31,	
	2010	2009
Investments at fair value as determined by quoted market price:		
Mutual funds -		
T. Rowe Price SmallCap Stock Fund	\$ 639,567	\$ 482,762
American Funds Europacific Growth R3 Fund	417,931	374,307
Vanguard Growth and Income Fund	-	268,680
Other mutual funds	1,501,678	898,173
Investments at estimated fair value:		
Pooled separate accounts -		
Principal Bond and Mortgage Separate Account	614,130	515,540
Principal LargeCap S&P 500 Index Separate Account	571,723	554,938
Principal Lifetime 2020 Separate Account	369,627	-
Principal U.S. Property Separate Account	-	444,576
Other pooled separate accounts	1,759,596	1,109,073
Collective investment trust -		
Principal Stable Value Fund	694,368	574,345
Total	<u>\$ 6,568,620</u>	<u>\$ 5,222,394</u>

There were no purchases or sales in excess of 5% of Plan assets at the beginning of the year.

Principal also certified to the completeness and accuracy of the total investment gain amounting to \$837,107 and \$638,012 for the years ended December 31, 2010 and 2009, respectively.

HARGROVE, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

3 - Information prepared and certified by trustee (continued).

The Plan's investments appreciated in value as follows:

	Years ended December 31,	
	2010	2009
Net appreciation of investments at fair values as determined by quoted market price:		
Mutual funds	\$ 385,148	\$ 403,097
Net appreciation of investments at estimated fair values:		
Pooled separate accounts	408,754	187,017
Collective investment trust	12,887	20,036
Net change in fair value	<u>\$ 806,789</u>	<u>\$ 610,150</u>

4 - Investment in fully benefit-responsive contract.

The Plan invests in a fully benefit-responsive investment contract (Principal Stable Value Fund) with Principal. Principal maintains the contributions in a general account. The account is credited with earnings on the underlying investments and is charged for participant withdrawals and administrative expenses. The contract is included in the statements of net assets available for benefits at fair value based on market values of underlying investments as determined using a combination of market approach discounting and discounted cash flow methods. The adjustment from fair value to contract value for the investment contract is based on the contract value as reported to the Plan by Principal. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

As described in note 2A, because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for the portion of the net assets available for benefits attributable to the guaranteed investment contract.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract at December 31, 2010 and 2009 was \$694,368 and \$574,345, respectively. An adjustment from fair value to contract value of \$(13,898) and \$(3,854) was recorded for the years ended December 31, 2010 and 2009, respectively. The crediting interest rate is based on a formula agreed upon with the issuer, which guarantees a minimum 0% crediting rate. Such interest rates are reviewed on a monthly basis for resetting.

HARGROVE, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

4 - Investment in Principal Stable Value Fund (continued).

The average yields earned by the Plan on the guaranteed investment contract are as follows:

	Years ended December 31,	
	2010	2009
Average yield based on actual earnings	2.20%	2.07%
Average yield based on interest rate credited to participants	1.31%	0.98%

Certain events would limit the Plan's ability to transact at contract value with Principal. Such events include (but are not limited to) the following: Plan administration is amended or changed, merger or consolidation of investors, group terminations or layoffs, implementation or an early retirement program, termination or partial termination of the Plan, failure to meet certain tax qualifications, participant communication that is designed to influence participants not to invest in the Fund, transfers to competing options without meeting the equity wash provisions of the Fund, and Plan Sponsor withdrawals without the appropriate notice to the Fund and/or issuer. The Plan Administrator does not believe that the occurrence of any such value event, which would limit the Plan's ability to transact at contract value with Plan participants, is probable.

An issuer may terminate the investment contract upon the default by the Plan, advisor, or trustee if the issuer determines in its reasonable discretion, such event has had, or is likely to have a material adverse effect on the issuer's interest with respect to the contract. Such events include (but are not limited to) the following: management of the portfolio is not in accordance with investment guidelines, a breach of any material obligation under the wrap agreement, any representation or warranty made by the Plan becomes untrue in any material way, a replacement of the fund advisor without prior consent of the issuer, the fund is terminated or ceases to qualify as a group trust, the Plan ceases to meet the appropriate tax qualifications, or the wrap becomes a prohibited transaction within the meaning of Section 406 of ERISA.

5 - Fair value measurements.

The Plan's investments are reported at fair value in the accompanying statements of net assets available for benefits. The methods used to measure fair value may produce an amount 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.

HARGROVE, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

5 - Fair value measurements (continued).

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

Level 1

The fair values of mutual funds are based on quoted market prices which are available on an active market.

Level 2

The fair values of pooled separate accounts and a collective investment trust are based on their net asset values (NAV) which are not publicly quoted. NAV are based on the market values of the underlying investments which have both observable Level 1 and Level 2 pricing inputs, including quoted prices for similar assets in active and non-active markets.

Level 3

A pooled separate account is not actively traded and significant other observable inputs are not available. Thus, the fair value of the pooled separate account is determined based on valuation methodologies, including pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker-traded transactions.

The following tables set forth, by level of hierarchy, the Plan's investments at fair value as of December 31, 2010 and 2009.

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>December 31, 2010:</u>				
Pooled separate accounts	\$ 3,315,076	\$ -	\$ 3,092,723	\$ 222,353
Mutual funds	2,559,176	2,559,176	-	-
Collective investment trust	694,368	-	694,368	-
Total	<u>\$ 6,568,620</u>	<u>\$ 2,559,176</u>	<u>\$ 3,787,091</u>	<u>\$ 222,353</u>

HARGROVE, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

5 - Fair value measurements (continued).

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>December 31, 2009:</u>				
Pooled separate accounts	\$ 2,624,127	\$ -	\$ 2,179,551	\$ 444,576
Mutual funds	2,023,922	2,023,922	-	-
Collective investment trust	<u>574,345</u>	<u>-</u>	<u>574,345</u>	<u>-</u>
Total	<u>\$ 5,222,394</u>	<u>\$ 2,023,922</u>	<u>\$ 2,753,896</u>	<u>\$ 444,576</u>

The following table reconciles the beginning and ending balances of fair value measurements using significant unobservable inputs (Level 3) for the years ended December 31, 2010 and 2009:

	<u>Years ended December 31, 2010</u>	<u>2009</u>
Beginning balance	\$ 444,576	\$ 625,036
Total gains or losses (realized and unrealized) included in changes in net assets available for benefits	41,287	(199,441)
Purchases, sales, issuances, and settlements (net)	<u>(263,510)</u>	<u>18,981</u>
Total	<u>\$ 222,353</u>	<u>\$ 444,576</u>
Total gains (losses) for the year included in changes in net assets available for benefits attributable to the change in unrealized gains (losses) relating to investments still held at reporting date	<u>\$ 69,559</u>	<u>\$ (203,418)</u>

Gains and losses (realized and unrealized) included in changes in net assets available for benefits are reported in net appreciation in fair value of investments.

HARGROVE, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

6 - Investments in entities that calculate NAV per share.

The following are the fair values of investments in entities that calculate NAV per share by major categories:

	December 31,	
	2010	2009
Balanced/asset allocation ^(a)	\$ 1,016,587	\$ 526,434
Fixed income ^(b)	949,846	1,052,846
Large U.S. equity ^(c)	783,437	686,223
Short-term fixed income ^(d)	694,368	574,345
Small/mid U.S. equity ^(e)	406,823	228,697
International equity ^(f)	158,383	129,927
Total	<u>\$ 4,009,444</u>	<u>\$ 3,198,472</u>

(a) Each of the pooled separate accounts in this category invests in a single mutual fund. The fair value of each mutual fund is a publicly quoted pricing input (Level 1) and is used in determining the NAV of each pooled separate account.

(b) Sixty-five percent (65%) of investments in this category are invested mainly in fixed securities such as asset-backed securities, residential mortgage-backed securities, commercial mortgage-backed securities, corporate bonds, and government bonds. The majority of the underlying securities have observable Level 2 pricing inputs.

Twelve percent (12%) of investments in this category are invested in a single mutual fund, the fair value of which is a publicly quoted pricing input.

The remaining twenty-three percent (23%) of investments in this category are invested mainly in commercial real estate and include mortgage loans which are backed by the associated properties. These underlying real estate investments have unobservable Level 3 pricing inputs. Until March 25, 2011, this separate account had a temporary withdrawal limitation. Certain high need payments were not subjected to withdrawal limitation. Other withdrawal requests were subjected to the limitation until certain liquidity levels were achieved. Since the inception of the withdrawal limitation, all sources of cash were first used to satisfy cash requirements at the properties, meet debt maturities, maintain compliance with debt covenants, and meet upcoming separate account obligations. Outstanding withdrawal requests were paid in multiple payments. Except for certain de minimis payments, payments were made proportionately along with all other outstanding withdrawal requests, based upon available liquidity. All withdrawals were being transacted at the NAV price at the date of distribution. The restriction ended March 25, 2011.

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HARGROVE, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

6 - Investments in entities that calculate NAV per share (continued).

- (c) This category invests mainly either in a single mutual fund or in domestic stocks. The fair value of the mutual fund is a publicly quoted pricing input while the majority of the underlying securities of domestic stocks have observable Level 1 pricing inputs.
- (d) This category invests in synthetic investment contracts comprised of both underlying investment and contractual components which have observable Level 1 and Level 2 pricing inputs, including quoted prices for similar assets in active or non-active markets.
- (e) This category invests mainly either in a single mutual fund or in domestic stocks. The fair value of the mutual fund is a publicly quoted pricing input while the majority of the underlying securities of domestic stocks have observable Level 1 pricing inputs.
- (f) This category invests in a single mutual fund. The fair value of the mutual fund is a publicly quoted pricing input (Level 1) and is used in determining the NAV of the pooled separate account.

Investments categorized in the preceding table are the Plan's investments in pooled separate accounts and in a collective investment trust. These pooled separate accounts and collective investment trust can be redeemed at NAV as of the measurement date and can be redeemed on a daily basis. There are no unfunded commitments as of December 31, 2010 and 2009 since unfunded commitments are not applicable to pooled separate accounts and collective investment trusts.

7 - Related party transactions.

Certain Plan investments are shares of pooled separate accounts and a collective investment trust which are managed by Principal. Principal is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services amounted to \$35,592 and \$21,584 for the years ended December 31, 2010 and 2009, respectively.

8 - Tax status.

The Plan had adopted the Principal Financial Group Non Standardized Prototype for Savings Plan and Trust Agreement (the Prototype Plan), as amended effective July 7, 2003. The Prototype Plan, as amended, has obtained an opinion letter, dated July 22, 2003, from the Internal Revenue Service (IRS) regarding its acceptability under Section 401 of the Internal Revenue Code (IRC). In April 2009, the Plan has adopted a custom plan. The Plan Administrator believes the Plan is currently designed and operated in compliance with the applicable requirements of the IRC.

HARGROVE, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

8 - Tax status (continued).

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 (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) of disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examination for the years prior to 2007.

9 - Reconciliation of financial statements to Form 5500.

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2010 and 2009 to Form 5500:

	December 31, 2010	2009
Net assets available for benefits per financial statements	\$ 6,821,999	\$ 5,419,980
Adjustment from fair value to contract value for fully benefit-responsive collective investment trust	13,898	3,854
Net assets available for benefits per Form 5500	<u>\$ 6,835,897</u>	<u>\$ 5,423,834</u>

The following is a reconciliation of changes in net assets available for benefits per the financial statements for the years ended December 31, 2010 and 2009 to Form 5500:

	Years ended December 31, 2010	2009
Investment income per financial statements	\$ 837,107	\$ 638,012
Change in adjustment from fair value to contract value for fully benefit-responsive collective investment trust	10,044	43,003
Investment income per Form 5500	<u>\$ 847,151</u>	<u>\$ 681,015</u>

	Years ended December 31, 2010	2009
Total expenses per financial statements	\$ 435,291	\$ 347,858
Corrective distributions for excess contributions of previous plan year	-	31,411
Total expenses per Form 5500	<u>\$ 435,291</u>	<u>\$ 379,269</u>

REGARDIE, BROOKS & LEWIS

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HARGROVE, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

10 - 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.

11 - Plan termination.

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

12 - Prohibited transactions.

Department of Labor (DOL) regulations state that employee deferrals should be submitted to the Plan as soon as they can reasonably be segregated from the general assets of the employer. For the Plan year ended December 31, 2009, employee deferrals of \$744 and loan payments of \$18 were not submitted timely, according to DOL regulations. These amounts, pertaining to 2009, were corrected in 2010. The Plan Sponsor has calculated the lost interest on the late remittances and deposited the interest income into the Plan.

13 - Plan amendment and transfer of assets.

Due to the change in ownership of Hargrove, Inc. effective March 20, 2008, Hargrove, Inc. and Shenandoah Caverns, Inc. were no longer members of a controlled group as defined in IRC Section 414(b). The pre-approved nonstandardized prototype plan, which the Plan had adopted, does not cover non-controlled group members. As such, the Plan Sponsor proposed a reformation amendment in March 2009 to include multiple employer language to allow Shenandoah Caverns, Inc. to continue uninterrupted participation in the Plan. This proposed Plan amendment was submitted to, and is pending approval of, the IRS.

In February 2009, the assets pertaining to the account balances of participants employed by Shenandoah Caverns, Inc. amounting to \$55,604 were transferred to a separate plan.

HARGROVE, INC. 401(k) PROFIT SHARING PLAN
 LANHAM, MARYLAND
 EIN: 52-0697413
PLAN NO. 001

2010 FORM 5500, SCHEDULE H, LINE 4i -
 SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2010

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost **	(e) Current Value
	Union Bond & Trust Company	Principal Stable Value Fund	\$	694,368 ***
	T. Rowe Price Funds	T. Rowe Price SmallCap Stock Fund		639,567
*	Principal Life Insurance Company	Principal Bond and Mortgage Separate Account		614,130
*	Principal Life Insurance Company	Principal LargeCap S&P 500 Index Separate Account		571,723
	American Funds Service Company	American Funds Europacific Growth R3 Fund		417,931
	Vanguard Group	Vanguard Growth and Income Fund		310,556
	Vanguard Group	Vanguard Asset Allocation Fund		284,757
	Fidelity Investments	Fidelity Advisor Value Strategies I Fund		280,340
	American Funds Service Company	American Funds Growth Fund of America R3 Fund		237,094
*	Principal Life Insurance Company	Principal MidCap S&P 400 Index Separate Account		228,251
*	Principal Life Insurance Company	Principal U.S. Property Separate Account		222,353
	American Century Investments	American Century Value Investment Fund		169,248
	Vanguard Group	Vanguard Explorer Fund		167,206
*	Principal Life Insurance Company	Principal International Growth Separate Account		158,383
*	Principal Life Insurance Company	Principal Partner LargeCap Growth II Separate Account		156,516
*	Principal Life Insurance Company	Principal Preferred Securities Separate Account		113,363
*	Principal Life Insurance Company	Principal Partner MidCap Value I Separate Account		96,394
*	Principal Life Insurance Company	Principal SmallCap Value Separate Account		82,178
*	Principal Life Insurance Company	Principal LargeCap Value Separate Account		55,198
	American Century Investments	American Century Vista Advantage Fund		52,477
*	Principal Life Insurance Company	Principal Lifetime Strategic Income Separate Account		18,897
*	Principal Life Insurance Company	Principal Lifetime 2010 Separate Account		61,951
*	Principal Life Insurance Company	Principal Lifetime 2020 Separate Account		369,627
*	Principal Life Insurance Company	Principal Lifetime 2030 Separate Account		239,374
*	Principal Life Insurance Company	Principal Lifetime 2040 Separate Account		197,579
*	Principal Life Insurance Company	Principal Lifetime 2050 Separate Account		129,159
*	Participant loans	Loans to participants, 3.25% to 8.25%, maturing through November 2015	\$ 0	257,495
	Total			<u>\$ 6,826,115</u>

* Party-in-interest

** Cost data is not required for participant-directed accounts

*** Represents fair value, amount reported in net assets available for benefits is at contract value.

The above information has been certified by Principal Life Insurance Company as complete and accurate.

Supplementary information.
 See the accompanying independent auditor's report.

REGARDIE, BROOKS & LEWIS

CHARTERED

CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

HARGROVE, INC. 401(k) PROFIT SHARING PLAN
 LANHAM, MARYLAND
 EIN: 52-0697413
PLAN NO. 001

2010 FORM 5500, SCHEDULE H, LINE 4a -
 SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

Participant Contributions Transferred Late to the Plan				Total That Constitutes Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
Check here if Late Participant Loan Repayments are included: ☒							
Date of Transfer	Participant Contributions	Participant Loan Repayments	Total Amount	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
2009 Contributions							
5/26/2010	\$ 744	\$ 18	\$ 762	None	None	None	\$ 762

Supplementary information.
 See the accompanying independent auditor's report.

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

HARGROVE, INC. 401(K) PROFIT SHARING PLAN

EIN 52 0697413
 PLAN NUMBER 001
 PLAN YEAR 01/01/2010 TO 12/31/2010

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	American Century Investments	Registered Investment Company Am Cent Vista A Fund	\$ 0.00	\$ 52,476.71
	American Funds Service Company	Registered Investment Company Am Fds EuroPacific Grth R3 Fd	\$ 0.00	\$ 417,930.92
	The American Funds	Registered Investment Company Am Fds Grth Fd of Am R3 Fund	\$ 0.00	\$ 237,093.68
	American Century Investments	Registered Investment Company Amer Cent Value Inv Fund	\$ 0.00	\$ 169,248.14
	Fidelity Investments	Registered Investment Company Fidelity Adv Value Str I Fund	\$ 0.00	\$ 280,340.28
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Bond and Mortgage SA-R6	\$ 0.00	\$ 614,129.95
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Intl Growth Sep Acct-R6	\$ 0.00	\$ 158,383.46
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LargeCap Growth II SA-R6	\$ 0.00	\$ 156,516.11
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LgCap S&P 500 Index SA-R6	\$ 0.00	\$ 571,723.30
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LgCap Value Sep Acct-R6	\$ 0.00	\$ 55,198.34
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime Strat Inc SA-R6	\$ 0.00	\$ 18,896.93
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2010 Sep Acct-R6	\$ 0.00	\$ 61,951.45
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2020 Sep Acct-R6	\$ 0.00	\$ 369,627.38
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2030 Sep Acct-R6	\$ 0.00	\$ 239,373.91
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2040 Sep Acct-R6	\$ 0.00	\$ 197,578.62

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

HARGROVE, INC. 401(K) PROFIT SHARING PLAN

EIN 52 0697413
PLAN NUMBER 001
PLAN YEAR 01/01/2010 TO 12/31/2010

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2050 Sep Acct-R6	\$ 0.00	\$ 129,158.95
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap S&P 400 Idx SA-R6	\$ 0.00	\$ 228,250.61
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap Value I SA-R6	\$ 0.00	\$ 96,393.69
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Pref Secs Sep Acct-R6	\$ 0.00	\$ 113,362.48
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SmCap Value Sep Acct-R6	\$ 0.00	\$ 82,177.54
*	Principal Life Insurance Company	Pooled Separate Accounts Prin U.S. Property Sep Acct-R6	\$ 0.00	\$ 222,352.87
	Union Bond & Trust Company	Common/Collective Trust Principal Stable Value Fund	\$ 0.00	\$ 694,368.00
	T. Rowe Price Funds	Registered Investment Company T Rowe Price Sm-Cap Stock Fund	\$ 0.00	\$ 639,567.05
	Vanguard Group	Registered Investment Company Vanguard Asset Allocation Fund	\$ 0.00	\$ 284,757.23
	Vanguard Group	Registered Investment Company Vanguard Explorer Fund	\$ 0.00	\$ 167,205.28
	Vanguard Group	Registered Investment Company Vanguard Growth & Income Fund	\$ 0.00	\$ 310,556.26
	Participant Loans	Range of Interest Rates Rates Range From 3.25% To 8.25%	\$ 0.00	\$ 257,495.00