

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). ► Complete all entries in accordance with the instructions to the Form 5500.	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 01/01/2010 and ending 12/31/2010			
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 OVATION RETIREMENT SAVINGS PLAN	1b Three-digit plan number (PN) ►	001	
	1c Effective date of plan	01/01/2001	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) OVATION DEVELOPMENT CORP. 6021 S. FORT APACHE SUITE 100 LAS VEGAS, NV 89148	2b Employer Identification Number (EIN)	88-0380055	
	2c Sponsor's telephone number	702-990-2790	
	2d Business code (see instructions)	236110	

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/04/2011	REINIER SANTANA
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") OVATION DEVELOPMENT CORP. 6021 S. FORT APACHE SUITE 100 LAS VEGAS, NV 89148	3b Administrator's EIN 88-0380055 3c Administrator's telephone number 702-990-2790
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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	168
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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	156
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	9
d Subtotal. Add lines 6a , 6b , and 6c	6d	165
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	165
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	65
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	10

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 2T 3D

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)

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 OVATION RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500. OVATION DEVELOPMENT CORP.		
D Employer Identification Number (EIN) 88-0380055		

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
TRANSAMERICA FINANCIAL 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
36-6071399	70688	600263	65	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
6495	803

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
MERRILL LYNCH - RIC KELLOGG 4804 DEER LAKE DRIVE, E 5TH FLOOR JACKSONVILLE, FL 32246

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
6495			3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
LEBENSON ACTUARIAL SERVICES, INC. 2001 S. JONES BLVD., SUITE A LAS VEGAS, NV 89146

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
	803	TPA FEES	5

(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	519590
5 Current value of plan's interest under this contract in separate accounts at year end	5	1214116

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 ▶ GROUP PENSION FUNDING

b Balance at the end of the previous year	7b	415903
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c Additions: (1) Contributions deposited during the year	7c(1)	55483	
(2) Dividends and credits	7c(2)	0	
(3) Interest credited during the year	7c(3)	13166	
(4) Transferred from separate account	7c(4)	114733	
(5) Other (specify below)	7c(5)	14741	

▶ LOAN REPAYMENTS

(6) Total additions	7c(6)	198123
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d Total of balance and additions (add b and c(6))	7d	614026
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	48806	
(2) Administration charge made by carrier	7e(2)	2584	
(3) Transferred to separate account	7e(3)	13266	
(4) Other (specify below)	7e(4)	29780	

▶ LOAN REQUESTS

(5) Total deductions	7e(5)	94436
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f Balance at the end of the current year (subtract e(5) from d)	7f	519590
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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 OVATION RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 OVATION DEVELOPMENT CORP.	D Employer Identification Number (EIN) 88-0380055	

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	
TRANSAMERICA FINANCIAL LIFE INSURANC	1150 SOUTH OLIVE STREET LOS ANGELES, CA 90015
36-6071399	

(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)

TRANSAMERICA FINANCIAL LIFE INSURAN

1150 SOUTH OLIVE STREET
LOS ANGELES, CA 90015

36-6071399

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 52 62 64 67	RECORDKEEPER	12763	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

LEBENSON ACTUARIAL SERVICES, INC-NV

2001 S. JONES BLVD.
LAS VEGAS, NV 89146

38-2799783

(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?
22 23 53	BROKER	0	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

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: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 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 <u>OVATION RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>OVATION DEVELOPMENT CORP.</u>	D Employer Identification Number (EIN) <u>88-0380055</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>VANGUARD TR05TVG</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INS CO</u>				
c EIN-PN <u>36-6071399-016</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1386</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>VANGUARD TR15TVG</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INS CO</u>				
c EIN-PN <u>36-6071399-017</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>23796</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>VANGUARD TR25TVG</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INS CO</u>				
c EIN-PN <u>36-6071399-018</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>15664</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>VANGUARD TR35TVG</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INS CO</u>				
c EIN-PN <u>36-6071399-019</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>25975</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>VANGUARD TR45TVG</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INS CO</u>				
c EIN-PN <u>36-6071399-020</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>5183</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>TRANSAMERICA TRICP</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INS CO</u>				
c EIN-PN <u>36-6071399-036</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>4915</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>TRANSAMERICA TRIGP</u>				
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INS CO</u>				
c EIN-PN <u>36-6071399-037</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>95769</u>		

a Name of MTIA, CCT, PSA, or 103-12 IE: TRANSAMERICA TRIMGP			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-038	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 68472

a Name of MTIA, CCT, PSA, or 103-12 IE: TRANSAMERICA TRIMP			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-039	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 28876

a Name of MTIA, CCT, PSA, or 103-12 IE: DREYFUS STI TRDPSM			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-041	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 45261

a Name of MTIA, CCT, PSA, or 103-12 IE: ALLIANCE BERNSTEIN TRABIV			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-075	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 16855

a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN FUNDS TRAMEP			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-076	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 96550

a Name of MTIA, CCT, PSA, or 103-12 IE: FIRST AMERICAN TRFRLE			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-083	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 10659

a Name of MTIA, CCT, PSA, or 103-12 IE: FRANKLIN SR TRFRSV			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-086	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 30152

a Name of MTIA, CCT, PSA, or 103-12 IE: GOLDMAN SACHS TRGSMV			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-088	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 12592

a Name of MTIA, CCT, PSA, or 103-12 IE: LOOMIS SAYLES TRTLIGB			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-094	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 73517

a Name of MTIA, CCT, PSA, or 103-12 IE: PIONEER CULLEN TRPRCV			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-100	d Entity code	P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 15250

a Name of MTIA, CCT, PSA, or 103-12 IE: TRANSAMERICA TRTHIYO			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-102	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	42060

a Name of MTIA, CCT, PSA, or 103-12 IE: LOOMIS TRLSBND			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-107	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	15389

a Name of MTIA, CCT, PSA, or 103-12 IE: THORNBURG TRTBCG			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-126	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	91120

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TRVSCI			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-132	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	17860

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TR10TVG			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-134	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	0

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TR20TVG			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-135	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	49958

a Name of MTIA, CCT, PSA, or 103-12 IE: ALGER CAP TRACA			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-138	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	51686

a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN FUNDS TRAMFI			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-141	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	116552

a Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN FUNDS TRAMNP			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-155	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	63553

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TR30TVG			
b Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO			
c EIN-PN 36-6071399-163	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	27090

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TR40TVG**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO

c EIN-PN 36-6071399-164	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2400
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a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TRVTSM**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO

c EIN-PN 36-6071399-166	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 19329
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a Name of MTIA, CCT, PSA, or 103-12 IE: EVERGREEN TREUT**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO

c EIN-PN 36-6071399-177	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 29180
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a Name of MTIA, CCT, PSA, or 103-12 IE: THORNBURG TRTBVL**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO

c EIN-PN 36-6071399-209	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 9341
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a Name of MTIA, CCT, PSA, or 103-12 IE: ALGER SMALL TRASGR**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO

c EIN-PN 36-6071399-216	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 13686
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a Name of MTIA, CCT, PSA, or 103-12 IE: TRANSAMERICA TRTEF**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INS CO

c EIN-PN 36-6071399-307	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 94040
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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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
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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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 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 OVATION RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 OVATION DEVELOPMENT CORP.	D Employer Identification Number (EIN) 88-0380055	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(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)	80187	114270
	(9) Value of interest in common/collective trusts	1c(9)		
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
	(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	1633357	1733707
	(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	1713544	1847977

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1713544	1847977
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)	176949	
(C) Others (including rollovers)	2a(1)(C)	6057	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		183006

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	4985	
(F) Other	2b(1)(F)	138	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		5123

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		163628
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		351757

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	204847	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		204847
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	12477	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		12477
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		217324

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		134433
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☐ 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: BRADSHAW, SMITH & CO., LLP

(2) EIN: 88-0150455

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	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		1200000
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)

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.
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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 <u>OVATION RETIREMENT SAVINGS 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>OVATION DEVELOPMENT CORP.</u>	D Employer Identification Number (EIN) <u>88-0380055</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): <u>36-6071393</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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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	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure 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
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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.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010
v.092308.1

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).)

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a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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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):

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September 22, 2011

To the Trustee and Plan Administrator
Ovation Retirement Savings Plan

We have conducted a DOL limited-scope audit of the financial statements of the Ovation Retirement Savings Plan for the year ended December 31, 2010 and have issued our report thereon dated September 22, 2011. As permitted by 29 CR 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 summarized in Note 3 to those financial statements. Because of the significance of the information that we did not audit, we are unable to, and have not, expressed an opinion on those financial statements and schedule taken as a whole. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 23, 2011. Professional standards also require that we communicate to you the following information related to our audit:

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Ovation Retirement Savings Plan are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2010. We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the fair values of the investments is based on information certified by Transamerica Financial Life Insurance Company. Due to this certification and that we were engaged to perform a limited scope audit in regards to this information, we did not conduct any procedures in relation to this information.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 22, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the method of preparing it has not changed from the prior period and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Trustees, Plan Committee and management of the Ovation Retirement Savings Plan and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Brodshaw, Smith & Co, LLP

Bradshaw, Smith & Co., LLP

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To the Trustee and Plan Administrator
Ovation Retirement Savings Plan

Except as discussed in the following paragraph, in planning and performing our audit of the financial statements of the Ovation Retirement Savings Plan as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered Ovation Retirement Savings Plan's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of issuing our report on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

We were engaged to perform a DOL limited-scope audit of those financial statements 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. Our audit did not include all of the procedures required by auditing standards generally accepted in the United States of America and did not include a consideration of internal control relating to the information summarized in Note 3 to those financial statements. Because of the significance of the information that we did not audit, we were unable to, and did not, express an opinion on those financial statements.

Our consideration of internal control was for the limited purpose described in the preceding paragraphs and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the plan's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in Ovation Retirement Savings Plan's internal control to be significant deficiencies:

Participant Distributions:

We noted two instances of employees receiving a distribution for their full account balance when they were not fully vested and should have forfeited a portion of their balances. When distributions are requested, the participant's vesting percentage should be calculated and applied to their account balance to determine the amount of distribution that the participant is eligible to receive. The vesting percentage must be verified and approved prior to the distribution check being sent to the participant. Incorrect calculations could be deemed discriminatory.

Participant Loans:

There was one instance where a participant's loan payment was allocated to their deferral account in error. Periodically, loan balances should be reviewed to make sure that loan payments are properly applied so that any errors will be detected and corrected in a timely manner. Incorrect allocation not only impacts the participant's outstanding loan balance, but could have an effect on discrimination testing if the participant is deemed highly compensated or on maximum annual contribution amounts.

Participant Contributions:

One instance was noted in which a participant requested to not have any deferrals withheld, but withholding was still made for at least one pay period and deposited into the participant's account. Although a portion of it was refunded to the participant, one amount withheld during the year remained in the participant's account. Participant accounts should be reviewed periodically to ensure the accuracy of the amount being withheld and deposited into their account.

This communication is intended solely for the information and use of plan management, the Trustee, the Plan Administrator, and others within the plan, and is not intended to be and should not be used by anyone other than these specified parties.

Brodshaw, Smith & Co., LLP
September 22, 2011

OVATION RETIREMENT SAVINGS PLAN

REPORT ON AUDITS OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

OVATION RETIREMENT SAVINGS PLAN
FOR THE YEAR ENDED DECEMBER 31, 2010

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INDEPENDENT ACCOUNTANTS' REPORT

Board of Trustees
Ovation Retirement Savings Plan
Las Vegas, Nevada

We were engaged to audit the financial statements of Ovation Retirement Savings Plan as of December 31, 2010 and 2009, and for the year ended December 31, 2010, and the supplemental schedule as of December 31, 2010, as listed in the accompanying table of contents. These financial statements and schedule 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 summarized in Note 3, which was certified by Transamerica Financial Life Insurance Company, the asset custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the asset custodian as of December 31, 2010 and 2009, that the information provided to the plan administrator by the asset custodian 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 schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the asset custodian, 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.

Bradshaw, Smith & Co., LLP

September 22, 2011

OVATION RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Assets:		
Investments, at fair value:		
Marketable securities	\$ 1,214,116	\$ 1,217,454
Stable value fund	519,590	415,903
Participant notes receivable	114,270	73,794
	<u>1,847,976</u>	<u>1,707,151</u>
Liabilities:		
Distributions payable	--	168
Refundable contributions	13,171	--
	<u>13,171</u>	<u>168</u>
Net assets available for benefits	<u>\$ 1,834,805</u>	<u>\$ 1,706,983</u>

OVATION RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2010

Additions to net assets:

Investment income:

Net appreciation in fair value of investments	\$ 150,459
Interest	18,151
	<u>168,610</u>

Contributions:

Participants	177,116
Rollovers	6,057
	<u>183,173</u>
Total additions	<u>351,783</u>

Deductions from net assets:

Benefits paid to participants	198,278
Corrective distributions	13,171
Other deductions	12,512
Total deductions	<u>223,961</u>

Net increase in net assets available for benefits 127,822

Net assets available for benefits:

Beginning of year	<u>1,706,983</u>
End of year	<u>\$ 1,834,805</u>

OVATION RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

1. Description of Plan:

Effective January 1, 2008, the plan's name changed to Ovation Retirement Savings Plan (the "Plan"). The plan was originally established on January 1, 2001, under the name of Ovation Development 401(k) Plan.

The following description of the Company's Plan provides only general information. Participants should refer to the Plan document for more complete information.

General:

The Plan benefits eligible employees of the following entities:

- Arbors Park Run, LLC
- Asset LA, LLC
- B-R Ovation, LP
- Da Vinci Solutions, Inc.
- Duck Creek Apts., LLC
- Jeffreys Apts., LLC
- JVP Investments, LLC
- LA Pacific Center, Inc.
- Lone Mountain Apts. I, LP
- MPM, Inc. II
- Ovation AGT JV, LLC
- Ovation Development Corporation
- Pacific Willows, LLC
- Russell Apts., LLC
- SC Investments Las Vegas, Inc.
- Spring Mountain Apts. 1, LP
- Stephanie Apts., LLC
- SW Ranch Apts., LLC
- Thunder Road Development, LLC
- Wigwam Parvin, LP

The Plan is a defined contribution plan that covers all employees, excluding union and nonresident alien employees, of the Company who have ninety days of service and are at least 21 years old. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions:

The Plan provides that each participant may contribute up to a maximum of 25% of their pretax annual compensation, as defined by the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Participants may increase or decrease their contribution percentages at anytime.

Effective January 1, 2008, through April 30, 2009, the Plan elected to be a safe harbor plan. As a safe harbor plan, the Company contributed 100% of applicable contributions up to the first 3% of base compensation, plus 50% of applicable contributions up to the next 2% of base compensation. Effective May 1, 2009, the Plan was amended to remove the employer safe harbor matching contribution. As a result of the amendment, the Plan no longer has a fixed safe harbor contribution. Instead, the Plan has a discretionary employer matching contribution that can be declared by the sponsor anytime during the plan year, or after the end of the plan year up to the due date of the sponsor's tax return.

OVATION RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010

1. Description of Plan (continued):

Participant accounts:

Each participant's account is credited with the participant's contributions and allocations of (a) the Company's contributions and (b) plan earnings (including net realized and unrealized investment gains and losses).

Vesting policy:

Participants are always fully vested in their own contributions plus actual earnings thereon. Vesting in the Company's matching and discretionary contribution portion of their accounts plus actual earnings thereon is 20% after 2 years of service, 60% after 3 years and increases 20% after each additional year of service. After five years of service, each participant is fully vested; however, each participant is immediately fully vested in the Company's safe-harbor contribution. Participants also become fully vested upon death.

Payment of benefits:

On termination of service due to death, disability, retirement or other, benefits will be paid in a lump sum amount equal to the value of the participant's vested interest in his or her account.

Investment options:

Upon enrollment in the Plan, a participant may direct employee contributions in the investment alternatives offered by the Plan. All funds in the Plan are participant directed.

Participants may change their investment options daily.

Participant notes receivable:

Participants may borrow from their fund accounts with a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the participant notes fund. Loan terms range from 1-5 years or up to 30 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest. The interest rates ranged between 5.25% and 8.00% for the year ended December 31, 2010. Principal and interest is paid ratably through biweekly payroll deductions.

Forfeited accounts:

Forfeitures are used to reduce matching employer contributions or to pay plan expenditures.

At December 31, 2010, forfeited nonvested amounts totaled \$2,638.

Basis of accounting:

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

OVATION RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010

2. Summary of significant accounting policies:

Use of estimates in preparation of financial statements:

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 and disclosures. Accordingly, actual results may differ from those estimates.

Participant notes receivables:

Participant notes receivables are reported at their unpaid principal balances plus any accrued but unpaid interest.

Investment valuation and income recognition:

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants 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 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.

Payment of benefits:

Benefits are recorded when paid.

3. Summary of information certified by the custodian:

Transamerica Financial Life Insurance Company has supplied the plan administrator with certification as of December 31, 2010 and 2009, and for the year ended December 31, 2010, that the Plan's investments and its income and expenses (other than participant notes receivable and interest income, refundable contributions, contributions and distributions) are complete and accurate.

OVATION RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010

3. Summary of information certified by the custodian (continued):

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that the custodian prepared and certified as complete and accurate:

	<u>2010</u>	<u>2009</u>
Investments, at fair value:		
Marketable securities	\$ 1,214,116	\$ 1,217,454
Stable Value Fund	519,590	415,903
	<u>\$ 1,733,706</u>	<u>\$ 1,633,357</u>
Net appreciation in fair value of investments	<u>\$ 150,459</u>	

4. Investments at fair value:

The following investments represent 5% or more of net assets available for benefits as of December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Transamerica Stable Value Advantage Ret Acct	\$ 519,590	\$ 415,903
American Funds Fundamental Investors Inv Acct	116,552	101,288
American Funds EuroPac Growth	96,550	94,787
Transamerica Asset Allocation - Moderate Portfolio Acct	95,769	130,491
Transamerica Equity Ret Acct	94,040	88,498
Thornburg Core Growth	--	91,451

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.

OVATION RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010

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, and Level 3 inputs are unobservable and 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. If no Level 1 inputs were available to the Plan, then Level 2 inputs were used. Level 3 inputs were not used. The following is a description of the valuation methodologies used for assets measured at fair value.

Level 1 fair value measurements:

The fair value of separate accounts investing in mutual funds or equity securities are measured using quoted prices in active markets for identical assets held by the Plan at year-end.

Level 2 fair value measurements:

The fair value of separate accounts directly investing in fixed maturity securities are based on the pricing data provided by outside valuation service providers who in turn generally use the mean of bid and ask prices but may also use alternative observable pricing inputs for certain securities.

The following sets forth by level, within the hierarchy, the Plan's assets at fair value as of December 31, 2010 and 2009:

		Fair value measurements using:		
		Quoted prices in active markets for identical assets (Level 1)	Observable inputs in active markets for identical assets (Level 2)	Significant unobservable inputs (Level 3)
	Fair Value			
December 31, 2010:				
Marketable securities (mutual funds)	\$ 1,214,116	\$ 1,214,116	\$ --	\$ --
Stable Value Fund	519,590	--	519,590	--
	<u>\$ 1,733,706</u>	<u>\$ 1,214,116</u>	<u>\$ 519,590</u>	<u>\$ --</u>

OVATION RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010

5. Fair value measurements (continued):

The following sets forth by level, within the hierarchy, the Plan's assets at fair value as of December 31, 2010 and 2009(continued):

December 31, 2009:

Marketable securities (mutual funds)	\$ 1,217,454	\$ 1,206,465	\$ 10,989	\$ --
Stable Value Fund	415,903	--	415,903	--
	<u>\$ 1,633,357</u>	<u>\$ 1,206,465</u>	<u>\$ 426,892</u>	<u>\$ --</u>

Stable Value Fund:

The Stable Value Fund (SVF) is considered to be fully benefit responsive. Contract value for the SVF is the amount payable to Plan participants upon demand. The SVF has no stated maturity date and interest rates are reset monthly. Therefore, the fair value of the SVF is equal to contract value.

Per Transamerica, the custodian, the average rates on the SVF for the year ended December 31, 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
Minimum yield	2.90%	3.00%
Average	2.98%	3.49%
Closing rate	2.90%	3.00%

6. Net appreciation in fair value of investments:

During 2010, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated as follows:

Transamerica Equity Ret Acct	\$ 16,963
American Funds Fundamental Investors Inv Acct	13,783
Transamerica Asset Allocation - Moderate Portfolio Acct	11,388
Dreyfus Premier Structured Mid-Cap Inv Acct	9,824
American Funds Europacific Growth Ret Acct	8,862
Transamerica Asset Allocation - Moderate Growth Ret Acct	7,957
Loomis Sayles Investment Grade Bond Ret Acct	7,695
Thornburg Core Growth Ret Acct	7,477
American Funds New Perspective Inv Acct	6,207
Transamerica Partners High Yield Bond Ret Acct	6,200
Franklin Small Cap Value Ret Acct	6,073

OVATION RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010

6. Net appreciation in fair value of investments (continued):

During 2010, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated as follows (continued):

Vanguard Target Retirement 2020 Ret Acct	\$	5,644
Alger Capital Appreciation Ret Acct		5,628
First American Real Estate Securities Ret Acct		4,716
Vanguard Target Retirement 2035 Ret Acct		4,011
Transamerica Asset Allocation - Growth Portfolio Ret Acct		3,910
Vanguard Small-Cap Index Ret Acct		3,258
Alger Small Cap Growth Ret Acct		3,177
Vanguard Target Retirement 2030 Ret Acct		3,097
Vanguard Total Stock Market Index Ret Acct		2,617
Vanguard Target Retirement 2025 Ret Acct		2,218
Goldman Sachs Mid Cap Value Ret Acct		2,170
Vanguard Target Retirement 2015 Ret Acct		2,104
Loomis Sayles Bond Ret Acct		1,624
Pioneer Cullen Value Inv Acct		936
Evergreen Utility and Telecommunications Inv Acct		783
Thornburg Value Ret Acct		729
Vanguard Target Retirement 2045 Ret Acct		615
Transamerica Asset Allocation - Conservative Portfolio Acct		451
Vanguard Target Retirement 2040 Ret Acct		285
Vanguard Target Retirement 2005 Ret Acct		116
Alliance Bernstein International Value Inv Acct		(59)
	\$	<u>150,459</u>

7. Related party transactions:

Administrative expenses:

Ovation Development and related companies paid plan administration fees totaling \$25,200 for the year ended December 31, 2010.

Currently, the Plan provides investments, investment management, and record keeping services through Transamerica Financial Life Insurance Company, a party in interest. Fees related to these services amounted to \$12,512 for the year ended December 31, 2010.

OVATION RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010

8. Tax status:

The Prototype Plan utilized by the Ovation Retirement Savings Plan obtained its latest determination letter on September 15, 2009, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has not received a separate determination letter from the Prototype Plan. However, the plan administrator believes that the Plan is currently designed and being operated in compliance with applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

9. Plan amendments:

The Plan was amended in 2010 to comply with certain IRS guidance effective April 16, 2010.

10. Plan termination:

Although it has not expressed any intent to do so, the Company 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 termination, the Plan provides for 100% vesting of all participants' accounts.

11. Reconciliation of financial statements to Form 5500:

The following is a reconciliation of net assets available per the financial statements to Schedule H of Form 5500:

	December 31,	
	2010	2009
Net assets available for benefits per the financial statements	\$ 1,834,805	\$ 1,706,983
Participant loan in default deemed a distribution	--	6,393
Accrual for corrective distribution	13,171	168
Net assets available for benefits per the Schedule H to the Form 5500	<u>\$ 1,847,976</u>	<u>\$ 1,713,544</u>

OVATION RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010

11. Reconciliation of financial statements to Form 5500 (continued):

The following is a reconciliation of net increase in net assets per the financial statements for the year ended December 31, 2010, to Form 5500:

Net increase in net assets available for benefits per financial statements	\$ 127,822
Distribution of participant loan in default	(6,393)
Accrual for corrective distributions in 2009 paid in 2010	(168)
Accrual for corrective distributions in 2010 paid in 2011	13,171
Net increase in net assets available for benefits per the Form 5500	<u>\$ 134,432</u>

12. 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 to 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 statement of net assets available for benefits.

13. Subsequent events:

Management has evaluated subsequent events through September 22, 2011, the date on which the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

OVATION RETIREMENT SAVINGS PLAN

EIN: 88-0380055, PLAN #001

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2010

(a)(b)(c) Identity of Issue and Description of Investment	(d) Cost	(e) Current Market Value
* Transamerica Stable Value Advantage Ret Acct	\$ --	\$ 519,590
American Funds Fundamental Investors Inv Acct	--	116,552
American Funds Europacific Growth Ret Acct	--	96,550
* Transamerica Asset Allocation - Moderate Portfolio Acct	--	95,769
* Transamerica Equity Ret Acct	--	94,040
Thornburg Core Growth Ret Acct	--	91,120
Loomis Sayles Investment Grade Bond Ret Acct	--	73,517
* Transamerica Asset Allocation - Moderate Growth Ret Acct	--	68,472
American Funds New Perspective Inv Acct	--	63,553
Alger Capital Appreciation Ret Acct	--	51,686
Vanguard Target Retirement 2020 Ret Acct	--	49,958
Dreyfus Premier Structured Mid-Cap Inv Acct	--	45,261
* Transamerica Partners High Yield Bond Ret Acct	--	42,060
Franklin Small Cap Value Ret Acct	--	30,152
Evergreen Utility and Telecommunications Inv Acct	--	29,180
* Transamerica Asset Allocation - Growth Portfolio Ret Acct	--	28,876
Vanguard Target Retirement 2030 Ret Acct	--	27,090
Vanguard Target Retirement 2035 Ret Acct	--	25,975
Vanguard Target Retirement 2015 Ret Acct	--	23,796
Vanguard Total Stock Market Index Ret Acct	--	19,329
Vanguard Small -Cap Index Ret Acct	--	17,860
Alliance Bernstein International Value Inv Acct	--	16,855
Vanguard Target Retirement 2025 Ret Acct	--	15,664
Loomis Sayles Bond Ret Acct	--	15,389
Pioneer Cullen Value Inv Acct	--	15,250
Alger Small Cap Growth Ret Acct	--	13,686
Goldman Sachs Mid-Cap Value Ret Acct	--	12,592
First American Real Estate Securities Ret Acct	--	10,659
Thornburg Value Ret Acct	--	9,341
Vanguard Target Retirement 2045 Ret Acct	--	5,183
* Transamerica Asset Allocation - Conservative Portfolio Acct	--	4,915
Vanguard Target Retirement 2040 Ret Acct	--	2,400
Vanguard Target Retirement 2005 Ret Acct	--	1,386
	--	1,733,706
* Participant notes receivables, bearing interest between 5.25% and 8.00% per annum	--	114,270
	\$ --	\$ 1,847,976

* Denotes party-in-interest transaction.

Note: Column (d) is blank as all investments are participant directed.

NAME OF PLAN SPONSOR: OVATION DEVELOPMENT CORP.

PLAN NAME: OVATION RETIREMENT SAVINGS PLAN

PLAN YEAR: JANUARY 1, 2010 THRU DECEMBER 31, 2010

PLAN NUMBER: 001

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

1,847,977

(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
	Transamerica Financial Life Insurance Co	Transamerica Equity		94,040
	Transamerica Financial Life Insurance Co	Transamerica Partners Hg Yd Bd		42,060
	Transamerica Financial Life Insurance Co	Loomis Sayles Bond		15,389
	Transamerica Financial Life Insurance Co	American Funds Fundamentl Inv		116,553
	Transamerica Financial Life Insurance Co	American Funds New Pers		63,553
	Transamerica Financial Life Insurance Co	Vanguard Target Ret 2045		5,182
	Transamerica Financial Life Insurance Co	Vanguard Target Ret 2005		1,386
	Transamerica Financial Life Insurance Co	Vanguard Target Ret 2015		23,796
	Transamerica Financial Life Insurance Co	Vanguard Target Ret 2025		15,664
	Transamerica Financial Life Insurance Co	Vanguard Target Ret 2035		25,975
	Transamerica Financial Life Insurance Co	Transamerica AA - Conservative		4,915
	Transamerica Financial Life Insurance Co	Transamerica AA - Moderate		95,770
	Transamerica Financial Life Insurance Co	Transamerica AA - Moderate Grt		68,473
	Transamerica Financial Life Insurance Co	Transamerica AA - Growth		28,876
	Transamerica Financial Life Insurance Co	Dreyfus Premier Structured Mid		45,261
	Transamerica Financial Life Insurance Co	Transamerica Stable Value Adv		519,589
	Transamerica Financial Life Insurance Co	Loomis Sayles Inv Grade Bond		73,517
	Transamerica Financial Life Insurance Co	Vanguard Target Ret 2020		49,958
	Transamerica Financial Life Insurance Co	Vanguard Target Ret 2030		27,090
	Transamerica Financial Life Insurance Co	Vanguard Target Ret 2040		2,400
	Transamerica Financial Life Insurance Co	Vanguard Target Ret 2050		0
	Transamerica Financial Life Insurance Co	Pioneer Cullen Value		15,250
	Transamerica Financial Life Insurance Co	Goldman Sachs Mid Cap Value		12,592
	Transamerica Financial Life Insurance Co	Vanguard Total Stk Market Ind		19,329
	Transamerica Financial Life Insurance Co	Thornburg Core Growth		91,120
	Transamerica Financial Life Insurance Co	Franklin Small Cap Value		30,152
	Transamerica Financial Life Insurance Co	Vanguard Small-Cap Index		17,860
	Transamerica Financial Life Insurance Co	AllianceBernstein Intl Value		16,855
	Transamerica Financial Life Insurance Co	American Funds EuroPac Growth		96,550
	Transamerica Financial Life Insurance Co	Evergreen Utility and Telecom		29,180
	Transamerica Financial Life Insurance Co	First American Real Estate Sec		10,659
	Transamerica Financial Life Insurance Co	Thornburg Value		9,340
	Transamerica Financial Life Insurance Co	Alger Capital Appreciation		51,686
	Transamerica Financial Life Insurance Co	Alger SmallCap Growth		13,686
	Plan Participant Loans			114,270