

<b>Form 5500</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Annual Return/Report of Employee Benefit Plan</b>  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), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).  <b>► Complete all entries in accordance with the instructions to the Form 5500.</b>	OMB Nos. 1210-0110 1210-0089
		<b>2011</b>
		<b>This Form is Open to Public Inspection</b>

<b>Part I</b>	<b>Annual Report Identification Information</b>
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
<b>A</b> This return/report is for:	<input type="checkbox"/> a multiemployer plan; <input checked="" type="checkbox"/> a multiple-employer plan; or <input type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____
<b>B</b> This return/report is:	<input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).
<b>C</b> If the plan is a collectively-bargained plan, check here. . . . .	<input type="checkbox"/>
<b>D</b> Check box if filing under:	<input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)

<b>Part II</b>	<b>Basic Plan Information</b> —enter all requested information
<b>1a</b> Name of plan <u>VANDERVERT DEVELOPMENT HOTEL RETIREMENT 401(K) PLAN</u>	<b>1b</b> Three-digit plan number (PN) ► <u>001</u> <b>1c</b> Effective date of plan <u>10/01/2005</u>
<b>2a</b> Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)  <u>VANDERVERT DEVELOPMENTS HOTEL DIVISION, INC.</u>  <u>12906 N. ADDISON STREET</u> <u>SPOKANE, WA 99218</u>	<b>2b</b> Employer Identification Number (EIN) <u>46-0489886</u> <b>2c</b> Sponsor's telephone number <u>509-465-3340</u> <b>2d</b> Business code (see instructions) <u>721110</u>

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

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

<b>SIGN HERE</b>	<u>Filed with authorized/valid electronic signature.</u>	<u>09/06/2012</u>	<u>NIKKI LEEP</u>
	<b>Signature of plan administrator</b>	Date	Enter name of individual signing as plan administrator
<b>SIGN HERE</b>	<u>Filed with authorized/valid electronic signature.</u>	<u>09/06/2012</u>	<u>BONNIE VANDERVERT</u>
	<b>Signature of employer/plan sponsor</b>	Date	Enter name of individual signing as employer or plan sponsor
<b>SIGN HERE</b>			
	<b>Signature of DFE</b>	Date	Enter name of individual signing as DFE

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

Form 5500 (2011)  
v.012611

<b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same") VANDERVERT DEVELOPMENTS HOTEL DIVISION, INC.  12906 N. ADDISON STREET SPOKANE, WA 99218		<b>3b</b> Administrator's EIN 46-0489886
		<b>3c</b> Administrator's telephone number 509-465-3340
<b>4</b> 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:  <b>a</b> Sponsor's name		<b>4b</b> EIN  <b>4c</b> PN
<b>5</b> Total number of participants at the beginning of the plan year		<b>5</b> 189
<b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).		
<b>a</b> Active participants.....		<b>6a</b> 180
<b>b</b> Retired or separated participants receiving benefits.....		<b>6b</b> 0
<b>c</b> Other retired or separated participants entitled to future benefits.....		<b>6c</b> 5
<b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....		<b>6d</b> 185
<b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....		<b>6e</b> 0
<b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....		<b>6f</b> 185
<b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		<b>6g</b> 59
<b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....		<b>6h</b> 2
<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....		<b>7</b>
<b>8a</b> 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 3D 2T		
<b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:		
<b>9a</b> Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor		<b>9b</b> Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
<b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
<b>a Pension Schedules</b> (1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)  (2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary  (3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		<b>b General Schedules</b> (1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information) (2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan) (3) <input type="checkbox"/> <u>0</u> <b>A</b> (Insurance Information) (4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information) (5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information) (6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)

<b>SCHEDULE C</b> <b>(Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Service Provider Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).  <b>► File as an attachment to Form 5500.</b>	OMB No. 1210-0110
		<b>2011</b>
		<b>This Form is Open to Public Inspection.</b>

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

<b>A</b> Name of plan <u>VANDERVERT DEVELOPMENT HOTEL RETIREMENT 401(K) PLAN</u>	<b>B</b> Three-digit plan number (PN) <u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>VANDERVERT DEVELOPMENTS HOTEL DIVISION, INC.</u>	<b>D</b> Employer Identification Number (EIN) <u>46-0489886</u>

**Part I Service Provider Information (see instructions)**

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

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

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

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

<b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
<u>CAPITAL RESEARCH AND MANAGEMENT CO</u> <u>333 S. HOPE ST.</u>
<u>95-1411037</u> <u>LOS ANGELES, CA 90071</u>

<b>(b)</b> Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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

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

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

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

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

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

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

**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)

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

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

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

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

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

**Part I Service Provider Information (continued)**

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

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

**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.

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

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>SCHEDULE H</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Financial Information</b>  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).  <b>► File as an attachment to Form 5500.</b>	OMB No. 1210-0110  <div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2011</div>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2011 or fiscal plan year beginning <span style="color: blue;">01/01/2011</span> and ending <span style="color: blue;">12/31/2011</span>		
<b>A</b> Name of plan <span style="color: blue;">VANDERVERT DEVELOPMENT HOTEL RETIREMENT 401(K) PLAN</span>	<b>B</b> Three-digit plan number (PN) ►	<span style="color: blue;">001</span>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <span style="color: blue;">VANDERVERT DEVELOPMENTS HOTEL DIVISION, INC.</span>	<b>D</b> Employer Identification Number (EIN)  <span style="color: blue;">46-0489886</span>	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. <b>Round off amounts to the nearest dollar.</b> MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
<b>a</b> Total noninterest-bearing cash .....	<b>1a</b>	0	0
<b>b</b> Receivables (less allowance for doubtful accounts):			
(1) Employer contributions .....	<b>1b(1)</b>	0	0
(2) Participant contributions .....	<b>1b(2)</b>	0	0
(3) Other.....	<b>1b(3)</b>	0	0
<b>c</b> General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit) .....	<b>1c(1)</b>	0	0
(2) U.S. Government securities.....	<b>1c(2)</b>	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred .....	<b>1c(3)(A)</b>	0	0
(B) All other.....	<b>1c(3)(B)</b>	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred .....	<b>1c(4)(A)</b>	0	0
(B) Common .....	<b>1c(4)(B)</b>	0	0
(5) Partnership/joint venture interests .....	<b>1c(5)</b>	0	0
(6) Real estate (other than employer real property) .....	<b>1c(6)</b>	0	0
(7) Loans (other than to participants) .....	<b>1c(7)</b>	0	0
(8) Participant loans .....	<b>1c(8)</b>	0	0
(9) Value of interest in common/collective trusts.....	<b>1c(9)</b>	0	0
(10) Value of interest in pooled separate accounts.....	<b>1c(10)</b>	0	0
(11) Value of interest in master trust investment accounts .....	<b>1c(11)</b>	0	0
(12) Value of interest in 103-12 investment entities .....	<b>1c(12)</b>	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	<b>1c(13)</b>	718895	712176
(14) Value of funds held in insurance company general account (unallocated contracts).....	<b>1c(14)</b>	0	0
(15) Other .....	<b>1c(15)</b>	0	0

**1d** Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities .....	<b>1d(1)</b>	0	0
(2) Employer real property .....	<b>1d(2)</b>	0	0
<b>e</b> Buildings and other property used in plan operation .....	<b>1e</b>	0	0
<b>f</b> Total assets (add all amounts in lines 1a through 1e) .....	<b>1f</b>	718895	712176

**Liabilities**

<b>g</b> Benefit claims payable .....	<b>1g</b>	0	0
<b>h</b> Operating payables .....	<b>1h</b>	0	0
<b>i</b> Acquisition indebtedness .....	<b>1i</b>	0	0
<b>j</b> Other liabilities .....	<b>1j</b>	0	725
<b>k</b> Total liabilities (add all amounts in lines 1g through 1j) .....	<b>1k</b>	0	725

**Net Assets**

<b>l</b> Net assets (subtract line 1k from line 1f) .....	<b>1l</b>	718895	711451
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**Part II Income and Expense Statement**

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

**Income**

		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: <b>(A)</b> Employers .....	<b>2a(1)(A)</b>	38110	
<b>(B)</b> Participants .....	<b>2a(1)(B)</b>	86202	
<b>(C)</b> Others (including rollovers) .....	<b>2a(1)(C)</b>	0	
(2) Noncash contributions .....	<b>2a(2)</b>	0	
(3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> .....	<b>2a(3)</b>		124312
<b>b Earnings on investments:</b>			
(1) Interest:			
<b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....	<b>2b(1)(A)</b>	0	
<b>(B)</b> U.S. Government securities .....	<b>2b(1)(B)</b>	0	
<b>(C)</b> Corporate debt instruments .....	<b>2b(1)(C)</b>	0	
<b>(D)</b> Loans (other than to participants) .....	<b>2b(1)(D)</b>	0	
<b>(E)</b> Participant loans .....	<b>2b(1)(E)</b>	0	
<b>(F)</b> Other .....	<b>2b(1)(F)</b>	0	
<b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....	<b>2b(1)(G)</b>		0
(2) Dividends: <b>(A)</b> Preferred stock .....	<b>2b(2)(A)</b>	0	
<b>(B)</b> Common stock .....	<b>2b(2)(B)</b>	0	
<b>(C)</b> Registered investment company shares (e.g. mutual funds) .....	<b>2b(2)(C)</b>	9092	
<b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....	<b>2b(2)(D)</b>		9092
(3) Rents .....	<b>2b(3)</b>		0
(4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....	<b>2b(4)(A)</b>	0	
<b>(B)</b> Aggregate carrying amount (see instructions) .....	<b>2b(4)(B)</b>	0	
<b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....	<b>2b(4)(C)</b>		0

		(a) Amount	(b) Total
<b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	<b>2b(5)(A)</b>	0	
(B) Other .....	<b>2b(5)(B)</b>	0	
(C) Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....	<b>2b(5)(C)</b>		0
(6) Net investment gain (loss) from common/collective trusts .....	<b>2b(6)</b>		0
(7) Net investment gain (loss) from pooled separate accounts .....	<b>2b(7)</b>		0
(8) Net investment gain (loss) from master trust investment accounts .....	<b>2b(8)</b>		0
(9) Net investment gain (loss) from 103-12 investment entities .....	<b>2b(9)</b>		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	<b>2b(10)</b>		-56227
<b>c</b> Other income.....	<b>2c</b>		0
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....	<b>2d</b>		77177

**Expenses**

<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers .....	<b>2e(1)</b>	84621	
(2) To insurance carriers for the provision of benefits .....	<b>2e(2)</b>	0	
(3) Other .....	<b>2e(3)</b>	0	
(4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....	<b>2e(4)</b>		84621
<b>f</b> Corrective distributions (see instructions) .....	<b>2f</b>		0
<b>g</b> Certain deemed distributions of participant loans (see instructions).....	<b>2g</b>		0
<b>h</b> Interest expense.....	<b>2h</b>		0
<b>i</b> Administrative expenses: (1) Professional fees .....	<b>2i(1)</b>	0	
(2) Contract administrator fees .....	<b>2i(2)</b>	0	
(3) Investment advisory and management fees .....	<b>2i(3)</b>	0	
(4) Other .....	<b>2i(4)</b>	0	
(5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....	<b>2i(5)</b>		0
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total.....	<b>2j</b>		84621

**Net Income and Reconciliation**

<b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> .....	<b>2k</b>		-7444
<b>l</b> Transfers of assets:			
(1) To this plan.....	<b>2l(1)</b>		0
(2) From this plan .....	<b>2l(2)</b>		0

**Part III Accountant's Opinion**

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

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

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

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

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

(1) Name: EDISON, HURLEY AND COMPANY, PC

(2) EIN: 93-1100497

**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
<b>a</b> 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>b</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	
<b>c</b> 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	
<b>d</b> 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	
<b>e</b> Was this plan covered by a fidelity bond?.....	X		50000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....		X	
<b>g</b> 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	
<b>h</b> 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	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
<b>j</b> 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	
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan? .....		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
<b>n</b> 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. ....			
<b>4n</b>			

- 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)

<b>SCHEDULE R</b> <b>(Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Retirement Plan Information</b>  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).  ▶ <b>File as an attachment to Form 5500.</b>	OMB No. 1210-0110  <b>2011</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

<b>A</b> Name of plan <u>VANDERVERT DEVELOPMENT HOTEL RETIREMENT 401(K) PLAN</u>	<b>B</b> Three-digit plan number (PN) ▶ <u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>VANDERVERT DEVELOPMENTS HOTEL DIVISION, INC.</u>	<b>D</b> Employer Identification Number (EIN) <u>46-0489886</u>

<b>Part I</b>	<b>Distributions</b>
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All references to distributions relate only to payments of benefits during the plan year.

<b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	<b>1</b>	<u>0</u>
<b>2</b> 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>95-6817943</u>		
<b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>		
<b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	<b>3</b>	

<b>Part II</b>	<b>Funding Information</b> (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)
----------------	--

<b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>If the plan is a defined benefit plan, go to line 8.</b>			
<b>5</b> 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. <b>Date:</b> Month _____ Day _____ Year _____ <b>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.</b>			
<b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....	<b>6a</b>		
<b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....	<b>6b</b>		
<b>c</b> 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).....	<b>6c</b>		
<b>If you completed line 6c, skip lines 8 and 9.</b>			
<b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

<b>Part III</b>	<b>Amendments</b>
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<b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> No
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<b>Part IV</b>	<b>ESOPs</b> (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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<b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>11 a</b> Does the ESOP hold any preferred stock? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</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.).....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

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

<b>a</b> The current year .....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year .....	<b>14b</b>	
<b>c</b> The second preceding plan year .....	<b>14c</b>	

- 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:

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

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

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</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 .....	<b>16b</b>	

- 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): \_\_\_\_\_



**Vandervert Development Hotel**  
Retirement 401(k) Plan

Audit Report

*December 31, 2011 and 2010*

# **Vandervert Development Hotel**

## **Retirement 401(k) Plan**

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*December 31, 2011 and 2010*

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To the Administrative Committee  
Vandervert Development Hotel Retirement 401(k) Plan  
12906 N. Addison Street  
Spokane, WA 99218

### INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of net assets available for benefits of Vandervert Development Hotel Retirement 401(k) Plan as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule, Schedule H, Line 4i – Schedule of Assets (Held at End of Year), is presented for the purpose of additional analysis and is not a required part of the basic financial statements. It is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Edison, Perry & Company, P.C.  
Certified Public Accountants

Enterprise, Oregon

August 10, 2012

# **FINANCIAL SECTION**

# VANDERVERT DEVELOPMENT HOTEL

## Retirement 401(k) Plan

### Statements of Net Assets Available for Benefits

December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<b>Receivables</b>		
Employer matching contributions	\$ -	\$ -
Employee 401(k) contributions	-	-
<b>Total Receivables</b>	-	-
<b>Participant directed investments, at fair value:</b>		
Mutual funds	710,066	717,174
Forfeiture account	2,110	1,721
<b>Total Investments</b>	<u>712,176</u>	<u>718,895</u>
<b>TOTAL ASSETS</b>	<u>712,176</u>	<u>718,895</u>
<b>LIABILITIES AND NET ASSETS AVAILABLE FOR BENEFITS</b>		
Overdeposited deferral in Participant Account	\$ 388	\$ -
Other Liabilities - Liability forfeiture	337	-
<b>Total Liabilities</b>	<u>725</u>	<u>-</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<u><u>\$ 711,451</u></u>	<u><u>\$ 718,895</u></u>

The accompanying notes are an integral part of these financial statements.

# VANDERVERT DEVELOPMENT HOTEL

## Retirement 401(k) Plan

### Statements of Changes in Net Assets Available for Benefits

*Years Ended December 31, 2011 and 2010*

	<u>2011</u>	<u>2010</u>
<b>ADDITIONS</b>		
Additions to net assets attributed to:		
Investment income:		
Net appreciation (reduction) in fair value of investments	\$ (56,248)	\$ 68,325
Dividends	9,064	9,659
Forfeiture earnings/(losses)	51	247
	<u>(47,133)</u>	<u>78,231</u>
Contributions:		
Participants' pre-tax contributions	86,201	92,539
Employer matching contributions	38,109	36,277
	<u>124,310</u>	<u>128,816</u>
Transfers	-	-
<b>TOTAL ADDITIONS</b>	<u>\$ 77,177</u>	<u>\$ 207,047</u>
<b>DEDUCTIONS</b>		
Deductions from net assets attributed to:		
Benefits paid to participants	\$ 84,621	\$ 75,791
Administration expenses	-	-
<b>TOTAL DEDUCTIONS</b>	<u>84,621</u>	<u>75,791</u>
<b>Net increase (decrease) in assets available for plan benefits</b>	<b>(7,444)</b>	<b>131,256</b>
Net assets available for plan benefits – beginning of year	718,895	587,639
<b>Net assets available for plan benefits – end of year</b>	<u><u>\$ 711,451</u></u>	<u><u>\$ 718,895</u></u>

The accompanying notes are an integral part of these financial statements.

# VANDERVERT DEVELOPMENT HOTEL

## Retirement 401(k) Plan

### Notes to the Financial Statements

December 31, 2011 and 2010

#### NOTE 1 – DESCRIPTION OF THE PLAN

The following description of the Vandervert Development Hotel (hereinafter “Company”) Retirement 401 (k) Plan (hereinafter “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

##### General Plan Description:

The Plan is a defined contribution profit sharing plan covering all employees of the Company who have completed at least ninety days of service. Employees may begin to make elective deferrals after completing their ninety days of service and may receive matching and non-elective contributions after having completed 1,000 hours of service in each 12 month Eligibility Computation Period. The Eligibility Computation Period is the 12 month period that begins with the employee’s date of hire. If service requirements are not met during the first year following the date of hire, the Eligibility Computation Period then becomes the Plan Year. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (hereinafter “ERISA”).

##### Forfeited Accounts:

For the years ending December 31, 2011 and 2010 forfeited non-vested accounts totaled \$2,110 and \$1,721, respectively. These accounts will be used to reduce future employer contributions.

##### Hardship Distributions:

A non-terminated employee may request a distribution of salary deferral amounts for a qualified financial hardship as described by the Plan. The distribution cannot exceed the amount needed to meet the immediate financial hardship and is limited to actual employee contributions excluding investment earnings. Upon receiving a hardship distribution, no 401(k) contributions will be permitted for the 6-month period immediately following the distribution.

##### Participant Contributions:

Each year, participants may contribute up to one-hundred percent of their annual compensation or the maximum amount allowed by the federal government which, at December 31, 2011, totaled \$16,500 for those participants aged 49 or younger. Participants who are aged fifty or over, are eligible to make catch-up contributions up to the maximum amount allowed by the Federal Government which, at December 31, 2011 totaled \$5,500. Maximum contributions that may be made by those participants aged 50 or over is \$22,000. Employees who had retirement accounts with a previous employer may directly transfer or rollover the previous account balance to the Plan as long as they are participants in the Plan.

Participants direct the investment of their contribution into various investments options offered by the Plan. The Plan currently offers a variety of investments options for Plan participants (see Supplemental Schedule H for Plan participants). It is intended that the Plan meet the requirements of ERISA Section 404(c) by providing sufficient information in order for the participants to make informed investment choices. This information will be provided by the financial institutions managing the investment options.

# VANDERVERT DEVELOPMENT HOTEL

## Retirement 401(k) Plan

### Notes to the Financial Statements

December 31, 2011 and 2010

#### NOTE 1 – DESCRIPTION OF THE PLAN, *Continued* . . .

##### Participant Contributions (continued):

The Company is required to make matching contributions equal to fifty percent of the first six percent of compensation that a participant contributes to the Plan. Total annual contributions to any one participant's account may not exceed \$49,000. Additional profit sharing amounts may be contributed at the option of the Plan's committee. The Company made matching contributions of \$38,109 and \$36,277 during the years ended December 31, 2011 and 2010, respectively.

##### Administrative Expenses:

All administrative expenses are paid by the Company.

##### Participant Accounts:

Each participant's account is credited with the participant's contributions along with the Company's contributions, and any earnings their investments made during the year. The benefit to which a participant is entitled is the participant's vested account balance. If a participant receives a benefit at any date other than the valuation date, the value of the individual's account will be the value as of the prior valuation date.

##### Participant Loans:

Participant loans are not permitted under the Plan.

##### Participant Vesting:

Participants are immediately vested in the Plan as it relates to the account holder's account contributions plus actual earnings thereon. Vesting in the Company's contributions portion is based on the years of credited service. Plan participants earn a year of eligibility if they are credited with 1,000 hours of service during the eligibility computation period. An eligibility computation period is that 12-month period beginning with the date a participant was hired. A participant becomes one-hundred percent vested after three years (a cliff vesting schedule).

##### Breaks in Service:

When a participant fails to complete at least 501 hours during the plan year, they will incur a break in service. However, the Plan will credit a participant 501 hours even when the participant did not actually work 501 hours if the failure to work 501 hours was a result of the participant's taking time off to have, adopt or care for a child for a period immediately following the birth or adoption. This credit is made only for the purpose of determining whether a break in service has occurred and not for giving credit for a contribution or for vesting purposes.

##### Payment of Benefits:

On termination of service due to death, disability, or retirement, a participant may receive a lump-sum amount equal to their total account balances. For termination of service, voluntary or otherwise, a participant may receive the value of the vested account balance as a lump-sum distribution or roll it over to another qualified plan.



# **VANDERVERT DEVELOPMENT HOTEL**

## **Retirement 401(k) Plan**

### **Notes to the Financial Statements**

*December 31, 2011 and 2010*

#### **NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

This summary of the significant accounting policies of the Plan is presented to assist in understanding the Plan's financial statements. The financial statements and notes are the representations of the Plan's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

##### *Nature of Organization:*

The Vandervert Development Hotel Retirement 401 (k) Plan was established on October 1, 2005. The Plan provides retirement benefits for employees of Vandervert Developments Hotel Division, Inc.; Vandervert North, LLC (Hampton Inn Spokane and Quality Inn Oakwood); Oakwood Inns, LLC (Hampton Inn Richland); Spring Creek Developments, LLC (Hampton Inn Kalispell); Granite Investments, LLC (Hilton Garden Inn); and Mitchell Park, LLC (Holiday Inn Express Cheney).

##### *Basis of Accounting:*

The financial statements of the Plan have been prepared on the accrual basis of accounting.

##### *Use of Estimates:*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the financial statements and accompanying notes. Accordingly, actual results may differ from those estimates.

##### *Cash and Cash Equivalents:*

The Plan considers cash and cash equivalents to include currency on hand and investments with original maturities of three months or less. At December 31, 2011 and 2010, there were no unallocated amounts included in cash and cash equivalents.

##### *Payment of Benefits:*

Benefits are recorded when paid.

##### *Investment Valuation and Income Recognition:*

The Plan's investments are stated at fair value in accordance with the provisions of ERISA. Quoted market prices are used to value investments. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year-end. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

#### **NOTE 3 – 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 Plan termination, participants would become one-hundred percent vested in their employer contributions.

# VANDERVERT DEVELOPMENT HOTEL

## Retirement 401(k) Plan

### Notes to the Financial Statements

December 31, 2011 and 2010

#### NOTE 4 – INVESTMENTS

The following table presents the details of the Plan's investments. Investments that represent five percent or more of the Plan's net assets (\*) are separately identified.

	<u>2011</u>	<u>2010</u>
<u>Registered investment companies:</u>		
Growth Fund of America	\$ 78,128	\$ 82,519 *
New Perspective Fund	53,050	66,221 *
Fundamental Investors Fund	106,514	97,877 *
American Balanced Fund	58,339	56,384 *
EuroPacific Growth Fund	53,788	68,964 *
American High Income Trust Fund	42,596	50,694 *
Capital World Growth and Income Fund	61,413	69,608 *
SMALLCAP World Fund	80,405	102,952 *
All other investments	175,833	121,955
	<u><u>\$ 710,066</u></u>	<u><u>\$ 717,174</u></u>

During the years ended December 31, 2011 and 2010, the Plan's investments consisted of mutual funds (including gains and losses on investments bought and sold, as well as held during the year). These funds appreciated or (depreciated) in value as follows:

	<u>2011</u>	<u>2010</u>
Registered investment companies	<u><u>\$ (56,248)</u></u>	<u><u>\$ 68,325</u></u>

#### NOTE 5 – TAX STATUS

The volume submitter plan that acts as a prototype for the Company's Plan was restated in 2009 as part of the required IRS restatement of all pre-approved plan documents. Carlson & Sevigny TPA Services, Inc., received an updated Determination Letter from the IRS sometime during the year ended December 31, 2008. This letter, dated, March 31, 2008, stated that the submitter plan, as originally designed, was in compliance with the applicable requirements of the Internal Revenue Code and that no changes had been made to the original design of the plan. The Company relies on the March 31, 2008 Determination Letter for its Plan approval.

U.S. GAAP requires plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administration believes it is no longer subject to income tax examinations for the years prior to 2009.

# VANDERVERT DEVELOPMENT HOTEL

## Retirement 401(k) Plan

### Notes to the Financial Statements

December 31, 2011 and 2010

#### NOTE 6 – OUTSIDE SERVICE PROVIDERS

The Plan has engaged Carlson & Sevigny TPA Services, to administer benefit payments and third-party administrative duties, including record keeping, compliance services and other operational plan functions.

#### NOTE 7 – RISKS AND UNCERTAINTIES

The Plan invests in various investments 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 investments securities, it is at least reasonably possible that changes in the value 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.

#### NOTE 8 – RECONCILIATION OF FINANCIAL STATEMENTS TO IRS FORM 5500

The following is a reconciliation of the Plan's net assets available for benefits at December 31, 2011 and 2010, to the Internal Revenue Service Form 5500 (hereinafter "Form 5500"):

	<b>2011</b>	<b>2010</b>
Net assets available for benefits (per financial statements)	\$ 711,451	\$ 718,895
Amounts allocated to withdrawing participants	-	-
Net assets available for benefits (per Form 5500)	<b>\$ 711,451</b>	<b>\$ 718,895</b>

The following is a reconciliation of benefits paid to participants in the Plan's financial statements for the years ended December 31, 2011 and 2010, to Form 5500:

	<b>2011</b>	<b>2010</b>
Benefits paid to participants (per financial statements)	\$ 84,621	\$ 75,791
Add: Amounts allocated to withdrawing participants at December 31, 2010	-	-
Less: Amounts allocated to withdrawing participants at December 31, 2011	-	-
Benefits paid to participants (per Form 5500)	<b>\$ 84,621</b>	<b>\$ 75,791</b>

The Form 5500 includes amounts allocated to withdrawing participants for benefit claims that have been processed and approved for payment prior to year-end. These amounts are included in the Plan even if paid after year-end.

# VANDERVERT DEVELOPMENT HOTEL

## Retirement 401(k) Plan

### Notes to the Financial Statements

December 31, 2011 and 2010

#### NOTE 9 – Impairment Testing

The Plan's long-lived assets and amortizable intangible assets were not reviewed for impairment as required by FASB ASC 360, *Property, Plant and Equipment* because no events or changes occurred indicating the carrying amount of the assets may not be recoverable.

#### NOTE 10 – Fair Market Value

The Plan is required to disclose recurring or nonrecurring fair value measurements of its assets according to the provisions of FASB ASC 820, Fair Value Measurements and Disclosures. Effective for the fiscal year ended December 31, 2011, the Plan adopted the provisions of FASB ASC 820, "Fair Value Measurements".

FASB ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring the fair value of the Plan's financial assets and liabilities and are summarized into three categories:

*Level 1* – unadjusted quoted prices in active markets for identical securities in active markets that the plan has the ability to access;

*Level 2* – other significant observable inputs, including quoted prices for similar securities, interest rates, etc., and;

*Level 3* – significant unobservable inputs

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Following are the disclosures related to the Plan's assets pursuant to FASB ASC 820:

	December 31, 2011	
	<u>Fair Value</u>	<u>Input Level</u>
Available for sale Marketable Securities:		
Mutual Funds	\$ 710,066	Level 1

# VANDERVERT DEVELOPMENT HOTEL

## Retirement 401(k) Plan

### Schedule H, Line 4i – Schedule of Assets

Years Ended December 31, 2011 and 2010

Identity of Issuer, Borrower, Lessor or Similar Party	Amount	Investment Description	Current Value	
			2011	2010
Investment Company of America Fund	1,101.481	Shares of Mutual Funds	\$ 31,244	\$ 30,897
Growth Fund of America	2,775.603	Shares of Mutual Funds	78,128	82,519
New Perspective Fund	2,370.119	Shares of Mutual Funds	53,050	66,221
Cash Management Trust of America Fund	-	Shares of Mutual Funds	0	-
Fundamental Investors Fund	2,677.167	Shares of Mutual Funds	106,514	97,877
American Balanced Fund	3,158.789	Shares of Mutual Funds	58,339	56,384
Capital Income Builder Fund	281.737	Shares of Mutual Funds	14,001	14,064
EuroPacific Growth Fund	1,712.553	Shares of Mutual Funds	53,788	68,965
American High Income Trust Fund	4,498.131	Shares of Mutual Funds	42,596	50,694
Bond Fund of America	1,426.079	Shares of Mutual Funds	16,281	19,152
Capital World Growth and Income Fund	1,966.890	Shares of Mutual Funds	61,413	69,608
SMALLCAP World Fund	2,754.190	Shares of Mutual Funds	80,405	102,952
American Funds Target Date 2025	2,736.822	Shares of Mutual Funds	30,830	24,796
American Funds Target Date 2030	2,425.752	Shares of Mutual Funds	19,671	22,487
American Funds Target Date 2035	288.962	Shares of Mutual Funds	6,789	2,667
American Funds Target Date 2040	215.756	Shares of Mutual Funds	3,686	2,004
American Funds Target Date 2050	428.876	Shares of Mutual Funds	5,052	3,907
Money Market Fund		Shares of Mutual Funds	48,279	1,980
			<b>\$ 710,066</b>	<b>\$ 717,174</b>

**Note:**

Did not include column for parties in interest as there were none.

Did not include column for cost as all investments are participant directed.

# VANDERVERT DEVELOPMENT HOTEL

## Retirement 401(k) Plan

### Schedule H, Line 4i – Schedule of Assets

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