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

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] 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:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
PROMETHEUS REAL ESTATE GROUP, INC. 401K PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 02/01/1985

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
PROMETHEUS REAL ESTATE GROUP, INC.

1900 S. NORFOLK STREET, SUITE 150
SAN MATEO, CA 94403-1161

2b Employer Identification Number (EIN)
94-3164729

2c Sponsor's telephone number
650-931-3400

2d Business code (see instructions)
531390

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2010	TERRI LYNN CARDONA
	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")

PROMETHEUS REAL ESTATE GROUP, INC.

1900 S. NORFOLK STREET, SUITE 150
SAN MATEO, CA 94403-1161

3b Administrator's EIN: 94-3164729

3c Administrator's telephone number: 650-931-3400

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

5	Total number of participants at the beginning of the plan year	**5**	927
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**	607
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	163
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	770
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	770
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	466
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 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)	X	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)	X	Trust
(4)		General assets of the sponsor

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

a Pension Schedules

(1)	X	**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)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)		0	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)	X		**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2009** **This Form is Open to Public Inspection.**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
PROMETHEUS REAL ESTATE GROUP, INC. 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PROMETHEUS REAL ESTATE GROUP, INC.

D Employer Identification Number (EIN)
94-3164729

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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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)

MERRIL LYNCH

13-5474085

(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?
37 64 65	RECORDKEEPER	17206	Yes ☐ No ☒	Yes ☐ No ☐	0	Yes ☐ No ☐

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
37 64 65	RECORDKEEPER	7056	Yes ☐ No ☒	Yes ☐ No ☐	0	Yes ☐ No ☐

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name: MOSS ADAMS LLP	**b** EIN: 91-0189318	
c Position: ACCOUNTANT/AUDITOR		
d Address: 3700 OLD REDWOOD HIGHWAY SUITE 200 SANTA ROSA, CA 95403	**e** Telephone: 707-527-0800	

Explanation: WANTED TO RETURN TO PREVIOUS AUDIT FIRM.

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

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

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
PROMETHEUS REAL ESTATE GROUP, INC. 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
PROMETHEUS REAL ESTATE GROUP, INC.

D Employer Identification Number (EIN)
94-3164729

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)

a Name of MTIA, CCT, PSA, or 103-12 IE: ML RETIREMENT PRESERVATION TRUST

b Name of sponsor of entity listed in (a): MERRIL LYNCH BANK & TRUST CO., FSB

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)
22-6484011-001	C	0

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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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)

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

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

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

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

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

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

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

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a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
PROMETHEUS REAL ESTATE GROUP, INC. 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PROMETHEUS REAL ESTATE GROUP, INC.

D Employer Identification Number (EIN)
94-3164729

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	226443	233644
(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)	618	1010785
(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)	511021	510578
(9) Value of interest in common/collective trusts	1c(9)	912548	0
(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)	8163394	10729015
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(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	9814024	12484022
	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 through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	9814024	12484022

Part II Income and Expense Statement

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

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	233644	
	(B) Participants	2a(1)(B)	1152769	
	(C) Others (including rollovers)	2a(1)(C)	76067	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1462480
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	412	
	(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)	38998	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		39410
	(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)	131248	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		131248
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	13429567	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	14088632	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		-659065

			(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)		10577
	(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)		3331557
c	Other income	2c		0
d	Total income. Add all **income** amounts in column (b) and enter total	2d		4316207
	Expenses			
e	Benefit payment and payments to provide benefits:			
	(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1590085	
	(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)		1590085
f	Corrective distributions (see instructions)	2f		
g	Certain deemed distributions of participant loans (see instructions)	2g		31470
h	Interest expense	2h		
i	Administrative expenses: (1) Professional fees	2i(1)		
	(2) Contract administrator fees	2i(2)		
	(3) Investment advisory and management fees	2i(3)	24269	
	(4) Other	2i(4)	385	
	(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		24654
j	Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1646209
	Net Income and Reconciliation			
k	Net income (loss). Subtract line 2j from line 2d	2k		2669998
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)** [X] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: BDO USA LLP **(2)** EIN: 13-5381590

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.)	4a		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.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		2000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m	X		
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n	X		

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
PROMETHEUS REAL ESTATE GROUP, INC. 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PROMETHEUS REAL ESTATE GROUP, INC.

D Employer Identification Number (EIN)
94-3164729

Part I Distributions

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

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

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

EIN(s): 22-3513863

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 of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **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

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

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):

Prometheus Real Estate Group, Inc. 401(k) Plan

Financial Statements
(and supplemental schedule)
Years Ended December 31, 2009 and 2008

The report accompanying these financial statements was issued by BDO USA, LLP, a New York limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

BDO

Prometheus Real Estate Group, Inc.
401(k) Plan
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Schedule of assets (held at end of year)	15

Schedules other than that listed above have been omitted because they are not applicable or are not required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended.

BDO

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Fax: 415-397-2161
www.bdo.com

One Market, Suite 1100
Spear Tower
San Francisco, CA 94105

Independent Auditors' Report

To the Participants and
Retirement Investment Committee of the
Prometheus Real Estate Group, Inc. 401(k) Plan
Redwood City, California

We were engaged to audit the accompanying statement of net assets available for benefits of the Prometheus Real Estate Group, Inc. 401(k) Plan (the Plan) as of December 31, 2009 and the related statement of changes in net assets available for benefits for the year then ended, and supplemental schedule of assets (held at end of year) as of December 31, 2009. These financial statements and supplemental schedule are the responsibility of the Plan's management. The statement of net assets available for benefits of the Plan as of December 31, 2008, was audited by other auditors. 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 (ERISA), the Plan administrator instructed the other auditors not to perform and they did not perform, any auditing procedures with respect to the information certified by the trustee. Their report dated July 20, 2009, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion of the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

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 4, which was certified by Merrill Lynch Bank & Trust Company, FSB, the trustee of the Plan from January 1, 2009 to September 30, 2009, and by Fidelity Management Trust Company, the trustee of the Plan from October 1, 2009 to December 31, 2009, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained a certification from the trustees as of December 31, 2009, and for the year then ended, that the information provided to the Plan administrator by the trustees is complete and accurate.

Because of the significance of the information in the Plan's 2009 financial statements and supplemental schedule that we did not audit, we are unable to, and do not, express an opinion on the accompanying 2009 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 trustees, 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.

BDO USA, LLP

October 13, 2010

BDO USA, LLP, a New York limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Prometheus Real Estate Group, Inc.
401(k) Plan
Statements of Net Assets Available for Benefits

December 31,	**2009**	2008
Assets		
Investments, at fair value:		
Mutual funds	**$ 10,729,015**	$ 8,163,395
Money market fund	**1,010,785**	617
Common/collective trust	**-**	912,548
Total investments	**11,739,800**	9,076,560
Receivables:		
Notes receivable from participants	**510,578**	511,021
Employer contributions	**233,644**	226,443
Total receivables	**744,222**	737,464
Net Assets Available for Benefits at Fair Value	**12,484,022**	9,814,024
Adjustment from fair value to contract value for interest in common/collective trust relating to fully benefit-responsive investment contracts	**-**	147,321
Net Assets Available for Benefits	**$ 12,484,022**	$ 9,961,345

See accompanying independent auditors' report and notes to financial statements.

Prometheus Real Estate Group, Inc.
401(k) Plan
Statement of Changes in Net Assets Available for Benefits

Year ended December 31,	2009
Additions	
Investment income:	
Dividend income from mutual funds	$ 131,248
Interest income from common/collective trust	10,577
Interest income from money market fund	413
Interest income from participant loans	38,998
Net appreciation in fair value of mutual funds	2,525,171
Total investment income	2,706,407
Contributions:	
Participant	1,152,768
Employer	233,644
Rollovers	76,067
Total contributions	1,462,479
Total additions	4,168,886
Deductions	
Benefits paid to participants and beneficiaries	1,621,555
Administrative expenses	24,654
Total deductions	1,646,209
Net increase	2,522,677
Net Assets Available for Benefits, beginning of year	9,961,345
Net Assets Available for Benefits, end of year	$ 12,484,022

See accompanying independent auditors' report and notes to financial statements.

1. Description of Plan

The following description of the Prometheus Real Estate Group, Inc. 401(k) Plan (Plan) provides only general information. Participants should refer to the Plan Agreement or Summary Plan Description for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established on February 1, 1985, and subsequently amended and restated by Prometheus Real Estate Group, Inc. (the Company) to provide benefits to eligible employees, as defined in the Plan document. Employees under age 21 or employees who are subject to a collective bargaining agreement, non-resident aliens, leased or temporary employees are not eligible to participate in the Plan. Effective July 1, 2009, employees are eligible to participate in the Plan on the first day of employment. Prior to July 1, 2009, employees who completed three months of service were eligible to participate. Effective October 1, 2009, the Plan was amended to also include temporary full-time employees, temporary part-time employees, on-call employees and part-time employees scheduled to work less than 20 hours per week after (1) attaining age 21 and (2) completing at least 1,000 hours of service during an eligibility contribution period as defined in the Plan Agreement. The Plan is subject to the applicable provisions of the Internal Revenue Code (IRC) and provisions of the Employee Retirement Income Security Act of 1974 (ERISA), both as amended.

Administration

The Company has appointed the Prometheus Real Estate Group, Inc. Retirement Investment Committee (the Committee) to manage the operation and administration of the Plan. In October 2009, the Company contracted with Fidelity to act as the trustee and recordkeeper of the Plan and to serve as the third-party administrator. Prior to October 2009, the Company contracted Merrill Lynch to act as the trustee and recordkeeper of the Plan.

Plan Amendments

The Plan was amended and restated effective July 1, 2009, among other things: (i) to allow for Roth contribution deferrals and (ii) to increase normal retirement age from 55 to 59.5. The Plan was also amended and restated effective October 1, 2009, among other things: (i) to increase the maximum deferral to 90% of eligible compensation, as defined in the Plan Agreement, (subject to federal maximums), (ii) to exclude bonus from eligible compensation, (iii) to limit the term of loans taken for the purchase of a primary residence to 10 years, and (iv) to limit the number of loans that can be held outstanding to one loan.

Contributions

Beginning October 1, 2009, each year, participants may contribute up to 90% (previously 15%) of eligible compensation, as defined in the Plan Agreement, up to the maximum allowable under the IRC, which was $16,500 and $15,500 in 2009 and 2008, respectively. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants age 50 or older may contribute catch-up contributions, not to

exceed the amount allowable under current income tax regulations which was $5,500 and $5,000 for 2009 and 2008, respectively. Contributions are deposited in the appropriate investment funds as directed by the participants.

The Company has a discretionary match, which in any given year will be an amount not to exceed 100% of participants' contributions up to 15% of eligible compensation, and is subject to a maximum of $1,000 per participant each year. To receive a match, the participant must be employed at the end of the Plan year. Additionally, any participant who died, terminated employment after attaining normal retirement age (as defined in the Plan document), was on leave of absence on the last day of the year or became disabled during the year, is eligible to receive matching contribution. During the years ended December 31, 2009 and 2008, the Company contributed 50% of participants' elective deferrals up to a maximum match of $1,000. Total match for the year ended December 31, 2009 was $233,644.

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of the Company's discretionary matching contributions and Plan earnings, and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants may direct the investment of their account balances into various investment options offered by the Plan. Currently, the Plan offers one money market account and 26 mutual funds as investment options for participants.

Vesting

Participants are immediately vested in their contributions and the Company's matching contributions plus actual earnings thereon.

Participant Loans

Participants may borrow from their accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their account balance. Effective October 1, 2009, a participant may not have more than one loan outstanding at any time. Prior to October 1, 2009, a participant could have up to three loans outstanding at any time. The loans are secured by the balance in the participant's account and bear interest at rates that are commensurate with local borrowing rates. Current interest rates range from 5.25% to 10.25%. Loan repayments are made ratably through payroll deductions over a period not to exceed five years, unless the loans were used to purchase a primary residence in which case the loan terms may not exceed ten years.

Payment of Benefits

Upon separation of service, death, disability, or retirement, a participant or beneficiary may receive their benefits as a lump-sum amount equal to the value of the participant's vested interest in his or her account. Unless otherwise instructed by the participant, participants with vested account balances of $1,000 or less upon separation will receive a lump-sum cash payout and participants with vested account balances ranging from $1,000 to $5,000 will automatically be

rolled over to an individual retirement account (IRA). Additionally, under certain circumstances of financial hardship, the participant is allowed to withdraw funds from the Plan, and participants aged 59-1/2 or older may take in-service distributions.

Administrative Expenses

The Company pays the administrative costs of the Plan associated with any professional services provided to the Plan. Administrative expenses recorded in the Plan represent trustee fees, other recordkeeping fees paid directly from the Plan to the Plan's trustee and the cost of communications to the participants. Loan and distribution fees and any special handling costs are deducted directly from participants' accounts.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications were made to the December 31, 2008 financial statements in order to conform to the December 31, 2009 presentation.

Investment Valuation and Income Recognition

The Plan's investments are stated at their fair value. Mutual funds represent investments with various investment managers. The fair values of these investments are determined by reference to the investment manager's valuation of each fund's underlying assets, which are principally marketable equity and fixed income securities. Shares held in mutual funds, traded on national securities exchanges, are valued at the net asset value as of December 31, 2009 and 2008.

Investment contracts held by a defined contribution plan are required to be reported at fair value. This applies even when the contracts are not held directly by the Plan but are underlying assets in Common Collective Trust (CCT) investments held by the Plan. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invested in investment contracts through a CCT during 2009, which were sold during the year.

Purchases and sales of the investments within the Plan are reflected on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

The market volatility of equity-based investments is expected to substantially impact the value of such investments at any given time. It is likely that the value of the Plan's investments, both in total and in individual participant accounts, have fluctuated since December 31, 2009.

Notes Receivable from Participants (Participant Loans)

Participant loans are stated at amortized cost, plus any accrued and unpaid interest. Outstanding loans are also secured by the respective participant's vested account balance.

Net Appreciation (Depreciation) in Fair Value of Investments

Realized and unrealized appreciation (depreciation) in the fair value of investments is based on the difference between the fair value of assets at the beginning of the year, or at the time of purchase for assets purchased during the year, and the related fair value on the day investments are sold with respect to realized appreciation (depreciation), or on the last day of the year for unrealized appreciation (depreciation).

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits.

Payments of Benefits

Benefits are recorded when paid.

Recent Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board (FASB) announced the Accounting Standards Codification (ASC or Codification) and the Hierarchy of Generally Accepted Accounting Principles. This standard establishes only two levels of U.S. GAAP: authoritative and

non-authoritative. The Codification became the source of authoritative, nongovernmental GAAP, except for rules and interpretive releases of the SEC, which are sources of authoritative GAAP for SEC registrants. Standards will no longer be issued in the form of Statements of Financial Accounting Standards (SFAS) or Emerging Issues Task Force Issues by the FASB, nor as Statements of Position by the AICPA. There were no changes to the Plan's financial statements due to the implementation of the Codification as of December 31, 2009 other than changes in reference to various authoritative accounting pronouncements in the financial statements.

In April 2009, the FASB issued ASC 820-10-65, which provides additional guidance for estimating fair value when the volume and level of activity for the asset or liability have significantly decreased. ASC 820-10-65 also requires additional disclosures relating to fair value measurement inputs and valuation techniques, as well as providing disclosures for all debt and equity investment securities by major security types rather than by major security categories that should be based on the nature and risks of the security during both interim and annual periods. The new accounting guidance was adopted by the Plan during 2009 and resulted in additional disclosures which are presented in Note 6.

In May 2009, the FASB issued new accounting guidance on subsequent events in ASC 855, *Subsequent Events*, which establishes general standards of accounting for, and disclosure of, events that occur after the date of the financial statements but before the financial statements are issued or are available to be issued. ASC 855 requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date. The Plan adopted the guidance in 2009 and has evaluated all subsequent events that occurred through October 13, 2010, the date the financial statements were available to be issued.

In September 2009, the FASB issued ASC Update (ASU) 2009-12, *Fair Value Measurements and Disclosures (Topic 820) – Investment in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)*. This update provides guidance on estimating the fair value of a plan's investments in investment companies when the investment entity calculates net asset value per share, but does not have a readily determinable fair value. It permits the use of the investment's net asset value as a practical expedient to determine fair value. This guidance also requires additional disclosure of the attributes of these investments such as: (i) the nature of any restrictions on the reporting entity's ability to redeem its investment; (ii) unfunded commitments; and (iii) investment strategies of the investees. This guidance, adopted by the Plan during 2009, did not have a material impact on the Plan's financial statements.

In September 2010, the FASB issued ASC 2010-25, *Reporting Loans to Participants by Defined Contribution Pension Plans*. Under this ASU, loans to participants, previously classified as investments, will now be classified as notes receivable from participants. These notes receivable will be segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. This ASU is effective for fiscal years ending after December 15, 2010, and must be applied retrospectively. The Plan elected to early adopt and reported loans as notes receivable from participants as of December 31, 2009 and 2008.

3. Related Party Transactions

Certain Plan investments were managed by a company affiliated with Merrill Lynch Bank & Trust Company, FSB, the trustee of the Plan from January 1, 2009 to September 30, 2009 (the Prior Trustee), and by a company affiliated with Fidelity Management Trust Company, the trustee of the Plan from October 1, 2009 to December 31, 2009 (the Trustee). Any purchases and sales of these funds are performed in the open market at fair value. Such transactions, while considered party-in-interest transactions under ERISA regulations, are permitted under the provisions of the Plan and are specifically exempt from the prohibition of party-in-interest transactions under ERISA. Fees paid to the Prior Trustee and the Trustee were $17,206 and $7,063, respectively.

4. Information Certified by the Plan's Trustees

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the trustees have certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate.

December 31,	**2009**	2008
Mutual funds	**$ 10,729,015**	$ 8,163,395
Money market fund	**1,010,785**	617
Common/collective trust	**-**	912,548
Notes receivable (participant loans)	**510,578**	511,021

Year ended December 31,	**2009**
Dividend income from mutual funds	**$ 131,248**
Dividend income from common/collective trust	**10,577**
Interest income from participant loans	**38,998**
Net appreciation in fair value of mutual funds	**2,525,171**
Interest income from money market fund	**413**

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

5. Investments

The following table presents investments that represent five percent or more of the Plan's net assets:

December 31,	**2009**	2008
Money Market Funds:		
Fidelity Retirement Money Market Portfolio	**$ 1,010,785**	$ *
Common/ Collective Trust:		
Merrill Lynch Retirement Preservation Trust	*	912,548
Mutual Funds:		
American AMCAP Fund	*	546,120
Blackrock Global Allocation Fund	*	2,183,117
Blackrock S&P 500 Index Fund	*	951,479
Davis New York Venture Fund	**2,036,354**	1,533,030
Fidelity Global Balanced Fund	**2,515,474**	*
Fidelity Spartan 500 Index Fund	**1,177,424**	*
Janus Advisor Mid-Cap Growth Fund	*	658,413
Mainstay Large Cap Growth Fund – Class R1	**822,167**	*
Morgan Stanley Institutional Fund Trust Mid Cap Growth Portfolio	**940,601**	*
Thornburg International Value Fund Class R4	**1,247,536**	574,380

**Less than 5%*

6. Fair Value Measurements

The accounting guidance for fair value measurements establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

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

The following tables set forth by level, within the fair value hierarchy, the Plan's investment assets measured at fair value, as of December 31, 2009 and 2008. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Investment Assets at Fair Value as of December 31, 2009			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Large cap	$ 4,048,386	$ -	$ -	$ 4,048,386
Mid-cap	1,170,316	-	-	1,170,316
Small cap	260,470	-	-	260,470
International	1,642,007	-	-	1,642,007
Specialty	55,123	-	-	55,123
Blended	2,693,849	-	-	2,693,849
Bond	496,911	-	-	496,911
Other	361,953	-	-	361,953
Money market fund	1,010,785	-	-	1,010,785
	$ 11,739,800	$ -	$ -	$ 11,739,800

	Investment Assets at Fair Value as of December 31, 2008			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 8,163,395	$ -	$ -	$ 8,163,395
Money market fund	617	-	-	617
Common/collective trust	-	912,548	-	912,548
	$ 8,164,012	$ 912,548	$ -	$ 9,076,560

7. 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 remain 100% vested in their accounts.

8. Tax Status

Through September 30, 2009, the Plan was based on the Prototype Profit Sharing Plan with CODA of Merrill Lynch Pierce Fenner & Smith, Inc., a company affiliated with the Prior Trustee. Merrill Lynch Pierce Fenner & Smith, Inc. received a determination letter from the IRS dated September 23, 2003 stating that the Prototype Plan was designed in accordance with the provisions of the IRC, including provisions to comply with recent legislation (GUST) and other provisions included in the adoption agreement effective January 1, 2003.

Effective October 1, 2009, the Plan adopted the Prototype Plan sponsored by Fidelity Management & Research Company, an affiliate of the Trustee. The IRS informed Fidelity Management & Research Company by a letter dated March 31, 2008 that the Prototype Plan upon which the Plan is based is designed in accordance with the provisions of the IRC. The Plan has not yet filed for its own determination letter from the Internal Revenue Service. The Plan has since been amended; however, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and thus qualifies the Plan and related trust for tax-exempt status.

9. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statement to the Form 5500:

December 31,	**2009**	2008
Net assets available for benefits per the financial statements	**$ 12,484,022**	$ 9,961,345
Less: Adjustment from contract value to fair value for interest in common/collective trust relating to fully benefit-responsive investment contracts	**-**	(147,321)
Net appreciation in fair value of mutual funds per Form 5500	**$ 12,484,022**	$ 9,814,024

The following is a reconciliation of net appreciation in fair value of mutual funds per the financial statement to the Form 5500:

December 31,	**2009**
Net appreciation in fair value of mutual funds per the financial statements	**$ 2,525,171**
Plus: Adjustment from fair value to contract value for interest in common/collective trust relating to fully benefit-responsive investment contracts sold in 2009	**147,321**
Net appreciation in fair value of mutual funds per Form 5500	**$ 2,672,492**

Supplemental Schedule

Prometheus Real Estate Group, Inc.
401(k) Plan
Schedule of Assets (Held at End of Year)
December 31, 2009

Employer Identification Number: 94-3164729
Plan Number: 001
Form: 5500

(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
	Money Market Funds:			
*	Fidelity Retirement Money Market Portfolio	1,010,785 shares	*a*	$ 1,010,785
	Mutual Funds:			
	American Century Equity Income Fund	1,818 shares	*a*	11,926
	Artisan Mid Cap Value Fund	12,776 shares	*a*	229,715
	Brown Capital Management Small Company Fund	2,689 shares	*a*	96,385
	Cohen & Steers Realty Shares, Inc.	1,171 shares	*a*	55,123
	Davis New York Venture Fund	65,731 shares	*a*	2,036,354
*	Fidelity Contrafund	9 shares	*a*	515
*	Fidelity Freedom 2005	36 shares	*a*	361
*	Fidelity Freedom 2010	150 shares	*a*	1,876
*	Fidelity Freedom 2015	252 shares	*a*	2,625
*	Fidelity Freedom 2020	126 shares	*a*	1,581
*	Fidelity Freedom 2025	3,135 shares	*a*	32,568
*	Fidelity Freedom 2030	6,501 shares	*a*	80,544
*	Fidelity Freedom 2035	1,432 shares	*a*	14,696
*	Fidelity Freedom 2040	2,425 shares	*a*	17,360
*	Fidelity Freedom 2045	1,489 shares	*a*	12,616
*	Fidelity Freedom 2050	1,694 shares	*a*	14,147
*	Fidelity Global Balanced Fund	125,086 shares	*a*	2,515,474
*	Fidelity Spartan 500 Index Fund	29,861 shares	*a*	1,177,424
	Mainstay Large Cap Growth Fund – Class R1	132,181 shares	*a*	822,167
	Morgan Stanley Institutional Fund Trust Mid Cap Growth Portfolio	34,442 shares	*a*	940,601
	Mutual Global Discovery A	14,666 shares	*a*	391,875
	PIMCO Total Return Fund	46,010 shares	*a*	496,911
	Royce Total Return Fund	15,179 shares	*a*	164,086
	RS Emerging Markets Fund	15,655 shares	*a*	361,954
	Spartan International Index Fund	78 shares	*a*	2,595
	Thornburg International Value Fund Class R4	50,467 shares	*a*	1,247,536
			Total Mutual Funds:	10,729,015
			Total Investments:	**$ 11,739,800**
**	Notes Receivable from Participants (Participant Loans)	Interest rates ranging from 5.25% to 10.25%	–	$ 510,578

* *Fund is managed by an affiliate of Fidelity Management Trust Company, the trustee of the Plan and therefore, a party-in-interest as defined by ERISA.*

** *Party-in-interest as defined by ERISA.*

a *The cost of participant-directed investments is not required to be disclosed.*

See accompanying independent auditors' report and notes to financial statements.

Schedule H, Line 4i
Schedule of Assets (Held At End of Year)

Name of Plan:

► PROMETHEUS REAL ESTATE GROUP, INC. 401K PLAN

Employer Identification Number:► 94-3164729

For plan year (beginning/ending):► 01/01/2009 - 12/31/2009 Plan number:► 001

(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
	PARTICIPANT LOANS	participant loans 5.25% - 10.25%		510577.65
	PIMCO TOT RETURN ADM	Shares of a Registered investment Co.	503791.51	496910.51
	MUTUAL GBL DISCVRY A	Shares of a Registered investment Co.	382992.01	391874.85
	MSIF MID CAP GRTH P	Shares of a Registered investment Co.	870223.5	940601.27
	COHEN & STEERS RLTY	Shares of a Registered investment Co.	48708.02	55122.98
	DAVIS NY VENTURE A	Shares of a Registered investment Co.	1923136.76	2036354.03
	BROWN SMALL CO INST	Shares of a Registered investment Co.	88596.96	96384.73
	AM CENT EQUITY INC	Shares of a Registered investment Co.	11249.23	11926.03
	MAINSTAY LGCP GR R1	Shares of a Registered investment Co.	741283.52	822166.85
	THORNBURG INT VAL R4	Shares of a Registered investment Co.	1177205.49	1247537.05
	RS EMERGING MKTS A	Shares of a Registered investment Co.	333389.64	361953.7
	ARTISAN MID CAP VAL	Shares of a Registered investment Co.	210765.36	229714.71
	ROYCE TOT RETURN SER	Shares of a Registered investment Co.	153304.58	164085.55
	FID CONTRAFUND	Shares of a Registered investment Co.	486.85	514.5
	FID GLOBAL BALANCED	Shares of a Registered investment Co.	2454594.09	2515474.21
	FID FREEDOM 2010	Shares of a Registered investment Co.	1881.09	1876.45
	FID FREEDOM 2020	Shares of a Registered investment Co.	1565.5	1581.43
	FID FREEDOM 2030	Shares of a Registered investment Co.	79399.92	80543.76
	SPARTAN INTL INDEX	Shares of a Registered investment Co.	2706.24	2595.25
	FIDELITY RETIRE MMKT	Shares of a Registered investment Co.	1010785.49	1010785.49
	SPARTAN 500 INDEX	Shares of a Registered investment Co.	1093776.26	1177424.43
	FID FREEDOM 2040	Shares of a Registered investment Co.	17097.28	17360.04
	FID FREEDOM 2005	Shares of a Registered investment Co.	361.81	360.73
	FID FREEDOM 2015	Shares of a Registered investment Co.	2628.95	2625.25
	FID FREEDOM 2025	Shares of a Registered investment Co.	32047.86	32567.9
	FID FREEDOM 2035	Shares of a Registered investment Co.	14499.52	14695.57
	FID FREEDOM 2045	Shares of a Registered investment Co.	12422.07	12615.74
	FID FREEDOM 2050	Shares of a Registered investment Co.	13917.67	14147.42