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
STRATEGIC PROPERTY ASSOC. 401(K) PROFIT SHARING PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1997

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
STRATEGIC PROPERTY ASSOCIATES, LLC

30021 TOMAS, STE 150
RANCHO SANTA MARGARITA, CA 92688

2b Employer Identification Number (EIN)
58-2447158

2c Sponsor's telephone number
949-713-5000

2d Business code (see instructions)
531210

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	SHARON HONG
	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")
STRATEGIC PROPERTY ASSOCIATES, LLC

30021 TOMAS, STE 150
RANCHO SANTA MARGARITA, CA 92688

3b Administrator's EIN
58-2447158

3c Administrator's telephone number
949-713-5000

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**	166
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**	155
b	Retired or separated participants receiving benefits	**6b**	26
c	Other retired or separated participants entitled to future benefits	**6c**	0
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	181
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	181
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	83
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	3
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:
2A 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)		**A** (Insurance Information)
(4)		**C** (Service Provider Information)
(5)		**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

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
STRATEGIC PROPERTY ASSOC. 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
STRATEGIC PROPERTY ASSOCIATES, LLC

D Employer Identification Number (EIN)
58-2447158

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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)	21361	3236
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1287	1287
(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)	190085	162367
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	1025529	1487524
(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	1238262	1654414
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	30094	18623
k Total liabilities (add all amounts in lines 1g through1j)	1k	30094	18623
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	1208168	1635791

Part II Income and Expense Statement

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

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)		
(B) Participants	2a(1)(B)	189311	
(C) Others (including rollovers)	2a(1)(C)	12112	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		201423
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	11632	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		11632
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		285386
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		498441
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	48456	
(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)		48456
f Corrective distributions (see instructions)	2f		18623
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	3739	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		3739
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		70818
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		427623
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) [X] 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 [X] No

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

(1) Name: KUSHNER, SMITH, JOANOU & GREGSON (2) EIN: 95-3322166

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		150000
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
STRATEGIC PROPERTY ASSOC. 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
STRATEGIC PROPERTY ASSOCIATES, LLC

D Employer Identification Number (EIN)
58-2447158

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** 582447158

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): _____ _____

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):

Kushner ■ Smith ■ Joanou ■ Gregson

KSJG

CERTIFIED PUBLIC ACCOUNTANTS

STRATEGIC PROPERTY ASSOCIATES, LLC
401(k) PROFIT SHARING PLAN

Financial Statements
and
Supplementary Information
For the Years Ended December 31, 2009 and 2008
(With Independent Auditor's Report Thereon)

Kushner, Smith, Joanou & Gregson, LLP
Licensed by the California Board of Accountancy, Member of AICPA
8105 Irvine Center Drive ■ Suite 1000 ■ Irvine, California 92618 ■ (949) 261-2808 ■ Fax: (949) 261-0188
www.ksjgcpa.com

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Kushner ■ Smith ■ Joanou ■ Gregson

KSJG

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator and Participants of
Strategic Property Associates, LLC 401(k) Profit Sharing Plan

We have audited the accompanying statements of net assets available for benefits and related statements of changes in net assets available for benefits of the Strategic Property Associates, LLC 401(k) Profit Sharing Plan (the Plan) for the years ended December 31, 2009 and 2008. These financial statements and schedules 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 and the related changes in net assets available for benefits of the Plan for the years ended December 31, 2009 and 2008, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the basic financial statements but are 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. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit 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.

Kushner Smith Joanou Gregson, LLP

August 9, 2010

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STRATEGIC PROPERTY ASSOCIATES, LLC
401(k) PROFIT SHARING PLAN

Statements of Net Assets Available for Benefits
December 31, 2009 and 2008

ASSETS

	2009	2008
Contributions receivable:		
Participants	$ 3,236	$ 21,361
Investments at fair value (Notes 3 and 4):		
Interest bearing cash	1,287	1,287
Pooled separate accounts	1,487,524	1,025,529
Loans to participants	162,367	190,085
Total investments	1,651,178	1,216,901
Total assets	1,654,414	1,238,262

LIABILITIES

Corrective distributions payable	18,623	30,094
Net assets available for benefits	$ 1,635,791	$ 1,208,168

See accompanying notes to financial statements

STRATEGIC PROPERTY ASSOCIATES, LLC
401(k) PROFIT SHARING PLAN

Statements of Changes in Net Assets
Available for Benefits
Years Ended December 31, 2009 and 2008

	2009	2008
Additions (deductions) to net assets attributed to:		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	$ 285,386	$ (594,382)
Interest on participant loans	11,632	4,591
Total investment income (loss)	297,018	(589,791)
Contributions:		
Employer	--	52,563
Participants	189,311	262,962
Rollover	12,112	3,957
Total contributions	201,423	319,482
Total additions (deductions)	498,441	(270,309)
Deductions from net assets attributed to:		
Benefits paid to participants	48,456	98,000
Administrative expenses	3,739	--
Corrective distributions	18,623	30,094
Total deductions	70,818	128,094
Net increase (decrease) in assets	427,623	(398,403)
Net assets available for benefits - beginning of year	1,208,168	1,606,571
Net assets available for benefits - end of year	$ 1,635,791	$ 1,208,168

See accompanying notes to financial statements

STRATEGIC PROPERTY ASSOCIATES, LLC
401(k) PROFIT SHARING PLAN

Notes to Financial Statements
December 31, 2009 and 2008

NOTE 1 - DESCRIPTION OF PLAN

The following description of the Strategic Property Associates, LLC 401(k) Profit Sharing Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for more detailed information of the Plan's provisions.

General - The Plan is a defined contribution plan and profit sharing plan that was established on January 1, 1997. The Plan covers all employees of Strategic Property Associates, LLC, Strategic Asset Services, LLC and Strategic Assets Services of California, Inc., (collectively the Company) who have completed six consecutive months of employment with at least 500 hours of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Plan Amendment and Restatement - Effective April 15, 2008, the Plan was amended to remove the Safe Harbor matching contribution. Effective January 1, 2009, the Plan was amended and restated.

Contributions - Participants' contributions are made to the Plan by means of salary deferral by which the participant is entitled to defer the lesser of 100% of their compensation or a fixed amount determined annually by the Internal Revenue Service. To receive Safe Harbor matching contributions, a participant must have completed one year of service. The Company made Safe Harbor matching contributions from January 1, 2008 to April 15, 2008 equal to 100% of the amount of participants' deferred compensation that is not in excess of 3% the participants' compensation, plus 50% of the amount of participants' deferred compensation that exceeds 3% of participants' compensation but not in excess of 5% of the participants' compensation. For the years ended December 31, 2009 and 2008, Safe Harbor matching contributions of none and $52,563 were made to the Plan. The Company may also make discretionary matching contributions. No discretionary matching contributions were made by the Company during the years ended December 31, 2009 and 2008, respectively. In addition, the Company, at its option, may make discretionary profit sharing contributions. For the years ended December 31, 2009 and 2008, no profit sharing contributions were allocated to the Plan.

Participant Accounts - Each participant's account is credited with the participant's contribution, the Company's Safe Harbor contributions, the Company's matching contributions, and an allocation of (a) the Company's discretionary profit sharing contributions and (b) Plan earnings. Allocations of discretionary profit sharing contributions are based on participant wages, as defined. Allocations of plan earnings are based on participant balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested interest in their account. Benefit payments allocated to accounts of participants who have elected to withdraw from the Plan, but have not yet been paid amounted to none and $27,674 at December 31, 2009 and 2008, respectively.

(Note 1 continued on the following page)

STRATEGIC PROPERTY ASSOCIATES, LLC
401(k) PROFIT SHARING PLAN

Notes to Financial Statements
(Continued)
December 31, 2009 and 2008

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Vesting - The participants are immediately vested in their voluntary contributions and the Company's Safe Harbor contributions, plus actual earnings thereon. Employer profit sharing contributions vest according to the following schedule:

Years of Service [Year(s)]	Vested Percentage [%]
Less than 2 years	0
2	20
3	40
4	60
5	80
6	100

Participant Loans - The Plan allows participants to borrow up to 50% of their vested account balances, but not less than $1,000 nor more than $50,000. Generally, the loan repayment period may not exceed five years with the interest rate determined based on prevailing rates at the date of the loan. Home loans can be repaid over a period greater than five years.

Payment of Benefits - Upon reaching retirement age of 65 or upon termination of service, a participant may elect to receive a lump-sum payment or other optional forms offered under the Plan in an amount equal to the vested value of his or her account.

Forfeitures - Amounts forfeited from terminating participants' nonvested portion of their Company profit sharing contributions and earnings on Company contributions can be used to reduce future employer contributions or to pay administrative expenses. At December 31, 2009 and 2008, forfeited nonvested accounts totaled none and $3,740, respectively. No forfeitures were used to reduce Company contributions during the years ended December 31, 2009 and 2008. Forfeitures used to pay administrative expenses totaled $3,895 and none during the years ended December 31, 2009 and 2008, respectively.

Investments - Each participant directs the allocation of his or her contribution, and employer matching and discretionary profit sharing contributions to one or more of eight investment options.

STRATEGIC PROPERTY ASSOCIATES, LLC
401(k) PROFIT SHARING PLAN

Notes to Financial Statements
(Continued)
December 31, 2009 and 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The financial statements have been prepared in compliance with the Department of Labor Rules and Regulations for reporting and disclosure under ERISA.

Basis of Accounting - The financial statements of the Plan are prepared under the accrual method of accounting.

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

Investment Valuation and Income Recognition - Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

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

Administrative Expenses - Administrative expenses are paid by both the Plan and the Company.

Risk and Uncertainties - The Plan provides for various investment options in any combination of investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level or risk associated with certain investment securities and the level of uncertainty related to changes in the value of investments securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

FASB Codification - The Financial Accounting Standards Board (FASB) sets generally accepted accounting principles (GAAP) that the Company follows to ensure consistent reporting of financial condition, results of operations, and cash flows. In June 2009, the FASB established the FASB Accounting Standards Codification (Codification) as the sole source of authoritative GAAP.

(Note 2 continued on the following page)

STRATEGIC PROPERTY ASSOCIATES, LLC
401(k) PROFIT SHARING PLAN

Notes to Financial Statements
(Continued)
December 31, 2009 and 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FASB Codification (Continued) - The Codification does not change how the Plan accounts for its transactions or the nature of the related disclosures made. The change was made effective by the FASB for periods ending on or after September 15, 2009. The adoption of the Codification did not impact the Plan's financial position and results of operations. The Plan has updated these financial statements to reflect the guidance in the Codification.

Subsequent Events - The Plan evaluated subsequent events through August 9, 2010, the date these financial statements were issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3 - INVESTMENTS

On December 31, 2009 and 2008, the Plan's investments were in the custody of American Funds. The following participant directed investments as of December 31, 2009 and 2008 are summarized as follows:

		2009	2008
Investments greater than five percent of the Plan's net assets:			
American Funds	American Balanced Fund R2	$ 135,993	$ 98,679
American Funds	Bond Fund of America R2	127,070	94,383
American Funds	Capital World Growth and Income Fund	257,787	172,119
American Funds	Growth Fund of America R2	383,245	215,100
American Funds	Money Market Fund	98,500	118,161
American Funds	New Perspective Fund R2	237,825	149,174
American Funds	Washington Mutual Investors Fund R2	208,376	151,611
Participant Loans	4.25% - 10.25%	162,367	190,085
		1,611,163	1,189,312

(Note 3 continued on the following page)

STRATEGIC PROPERTY ASSOCIATES, LLC
401(k) PROFIT SHARING PLAN

Notes to Financial Statements
(Continued)
December 31, 2009 and 2008

NOTE 3 - INVESTMENTS (Continued)

	2009	2008
Aggregate of investments less than five percent of the Plan's net assets:	40,015	27,589
	$ 1,651,178	$ 1,216,901

During 2009 and 2008, the Plan's net investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	2009	2008
Pooled separate accounts	$ 285,386	$ (594,382)

NOTE 4 - FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides 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 under FASB ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

(Note 4 continued on the following page)

STRATEGIC PROPERTY ASSOCIATES, LLC
401(k) PROFIT SHARING PLAN

Notes to Financial Statements
(Continued)
December 31, 2009 and 2008

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

Level 2	Inputs to the valuation methodology include: • quoted prices for similar assets or liabilities in active markets; • quoted prices for identical or similar assets or liabilities in inactive markets; • inputs other than quoted prices that are observable for the asset or liability; • inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Interest bearing cash: Valued at market value of corresponding currency at year end.

Pooled separate accounts: Common stock held in the pooled separate accounts are valued at closing price reported on the active market on which the individual securities are traded. Mutual funds held in the pooled separate accounts are valued at the net asset value (NAV) of shares held by the Plan at year end.

Participant loans: Valued at amortized cost, which approximates fair value.

(Note 4 continued on the following page)

STRATEGIC PROPERTY ASSOCIATES, LLC
401(k) PROFIT SHARING PLAN

Notes to Financial Statements
(Continued)
December 31, 2009 and 2008

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

The preceding methods 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 table sets forth by level, within the fair value hierarchy, the plan's assets at fair value as of December 31, 2009 and 2008:

	Assets at Fair Value as of December 31, 2009			
	Level 1	*Level 2*	*Level 3*	*Total*
Pooled separate accounts:				
Domestic funds	$ 591,621	$ --	$ --	$ 591,621
Balance funds	135,993	--	--	135,993
International funds	534,340	--	--	534,340
Fixed income funds	127,070	--	--	127,070
Other funds	98,500	--	--	98,500
	1,487,524	--	--	1,487,524
Interest bearing cash	1,287	--	--	1,287
Participant loans	--	--	162,367	162,367
Total assets at fair value	$ 1,488,811	$ --	$ 162,367	$ 1,651,178

(Note 4 continued on the following page)

STRATEGIC PROPERTY ASSOCIATES, LLC
401(k) PROFIT SHARING PLAN

Notes to Financial Statements
(Continued)
December 31, 2009 and 2008

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

	Assets at Fair Value as of December 31, 2008			
	Level 1	*Level 2*	*Level 3*	*Total*
Pooled separate accounts:				
Domestic funds	$ 366,711	$ --	$ --	$ 366,711
Balance funds	98,679	--	--	98,679
International funds	347,595	--	--	347,595
Fixed income funds	94,383	--	--	94,383
Other funds	118,161	--	--	118,161
	1,025,529	--	--	1,025,529
Interest bearing cash	1,287	--	--	1,287
Participant loans	--	--	190,085	190,085
Total assets at fair value	$ 1,026,816	$ --	$ 190,085	$ 1,216,901

Level 3 Gains and Losses

The following table sets forth a summary of changes in the fair value of the plan's level 3 assets for the year ended December 31, 2009.

	Level 3 Assets Year Ended December 31, 2009
	Participant loans
Balance, beginning of year	$ 190,085
Purchases, sales, issuances, and settlements (net)	(27,718)
Balance, end of year	$ 162,367

STRATEGIC PROPERTY ASSOCIATES, LLC
401(k) PROFIT SHARING PLAN

Notes to Financial Statements
(Continued)
December 31, 2009 and 2008

NOTE 5 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, so that each participant receives 100 percent of his or her account balance as of the date of termination.

NOTE 6 - TAX STATUS

The Plan obtained its latest determination letter on November 25, 2003, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

NOTE 7 - PARTY-IN-INTEREST TRANSACTIONS

The Company, which qualifies as a party-in-interest, absorbs certain administrative expenses of the Plan. Such transactions qualify for a statutory exemption.

Certain Plan investments are managed by American Funds. American Funds is the custodian as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions for which a statutory exemption exists.

STRATEGIC PROPERTY ASSOCIATES, LLC
401(k) PROFIT SHARING PLAN

Supplementary Information
December 31, 2009

Schedule of Assets Held for Investment Purposes at End of Year
EIN #58-2447158
PN #001

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	**Description of investment including maturity date, rate of interest, collateral, par or maturity value**	**Cost**	**Current Value**
*	American Funds	American Balanced Fund R2	N/A	$ 135,993
*	American Funds	Bond Fund of America R2	N/A	127,070
*	American Funds	Capital World Growth and Income Fund	N/A	257,787
*	American Funds	EuroPacific Growth Fund R2	N/A	38,728
*	American Funds	Growth Fund of America R2	N/A	383,245
*	American Funds	Money Market Fund	N/A	98,500
*	American Funds	New Perspective Fund R2	N/A	237,825
*	American Funds	Washington Mutual Investors Fund R2	N/A	208,376
	Farmers & Merchants Bank	Interest Bearing Cash	N/A	1,287
	Participant loans	4.25% - 10.25%	--	162,367
				$ 1,651,178

* - Party-in-interest as defined by ERISA for which a statutory exemption exists.
N/A - Information not required for participant-directed investments.

STRATEGIC PROPERTY ASSOCIATES, LLC
401(k) PROFIT SHARING PLAN

Supplementary Information
December 31, 2009

Schedule of Assets Held for Investment Purposes at End of Year
EIN #58-2447158
PN #001

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	**Description of investment including maturity date, rate of interest, collateral, par or maturity value**	**Cost**	**Current Value**
*	American Funds	American Balanced Fund R2	N/A	$ 135,993
*	American Funds	Bond Fund of America R2	N/A	127,070
*	American Funds	Capital World Growth and Income Fund	N/A	257,787
*	American Funds	EuroPacific Growth Fund R2	N/A	38,728
*	American Funds	Growth Fund of America R2	N/A	383,245
*	American Funds	Money Market Fund	N/A	98,500
*	American Funds	New Perspective Fund R2	N/A	237,825
*	American Funds	Washington Mutual Investors Fund R2	N/A	208,376
	Farmers & Merchants Bank	Interest Bearing Cash	N/A	1,287
	Participant loans	4.25% - 10.25%	--	162,367
				$ 1,651,178

* - Party-in-interest as defined by ERISA for which a statutory exemption exists.
N/A - Information not required for participant-directed investments.