Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [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
USA PROPERTIES FUND 401(K) SAVINGS PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 09/01/1995

2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
USA PROPERTIES FUND, INC.

2440 PROFESSIONAL DR STE 100
ROSEVILLE, CA 95661-7773

2b Employer Identification Number (EIN)
95-3584895

2c Sponsor's telephone number
916-773-6060

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.	09/21/2011	EDWARD HERZOG
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	09/21/2011	EDWARD HERZOG
	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")
USA PROPERTIES FUND, INC.

2440 PROFESSIONAL DR STE 100
ROSEVILLE, CA 95661-7773

3b Administrator's EIN
95-3584895

3c Administrator's telephone number
916-773-6060

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**	283
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**	264
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	22
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	286
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	286
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	261
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	32
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 2S 2T 3D 3H

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)	X	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)	X	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)	X	1	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)	X		**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

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

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
USA PROPERTIES FUND 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500.
USA PROPERTIES FUND, INC.

D Employer Identification Number (EIN)
95-3584895

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

1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	**(c)** NAIC code	**(d)** Contract or identification number	**(e)** Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	**(g)** To
42-0127290	61271	420069	286	01/01/2010	12/31/2010

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

(a) Total amount of commissions paid	**(b)** Total amount of fees paid
0	0

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

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	210097
5	Current value of plan's interest under this contract in separate accounts at year end	5	6812796

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.	6d	

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ FLEXIBLE INVESTMENT ANNUITY

b	Balance at the end of the previous year			7b	225828
c	Additions: (1) Contributions deposited during the year	7c(1)	29356		
	(2) Dividends and credits	7c(2)			
	(3) Interest credited during the year	7c(3)	4895		
	(4) Transferred from separate account	7c(4)	2209		
	(5) Other (specify below)	7c(5)	8127		
	▶ LOAN PAYMENT				
	(6) Total additions			7c(6)	44587
d	Total of balance and additions (add **b** and **c(6)**)			7d	270415
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	38946		
	(2) Administration charge made by carrier	7e(2)	666		
	(3) Transferred to separate account	7e(3)	116		
	(4) Other (specify below)	7e(4)	19627		
	▶ LOAN WITHDRAWAL				
	(5) Total deductions			7e(5)	59355
f	Balance at the end of the current year (subtract **e(5)** from **d**)			7f	211060

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

a ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance
e ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug
i ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in **c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.			**10b**	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500)	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.**	**2010** **This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan	**B** Three-digit plan number (PN) ▶	
USA PROPERTIES FUND 401(K) SAVINGS PLAN		001

C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)
USA PROPERTIES FUND, INC.	95-3584895

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).. . . . . [X] Yes [ ] No

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

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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

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

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

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

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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 37 50 64	CONTRACT ADMINISTRATOR	5278	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

(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 ☐

(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

(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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
USA PROPERTIES FUND 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
USA PROPERTIES FUND, INC.

D Employer Identification Number (EIN)
95-3584895

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: PRIN MIDCAP VALUE III SA-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

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)
42-0127290-022	P	282208

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMCAP BLEND SEP ACCT-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

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)
42-0127290-029	P	609532

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP BLEND SEP ACCT-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

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)
42-0127290-020	P	582087

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN BOND EMPH BAL SEP ACCT-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

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)
42-0127290-006	P	0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN STOCK EMPH BAL SEP ACT-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

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)
42-0127290-032	P	0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN GOVT & HQ BOND SA-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

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)
42-0127290-007	P	366573

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MONEY MARKET SEP ACCT-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

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)
42-0127290-024	P	303280

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN INTL EMERG MARKETS SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-013	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	34076
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN U.S. PROPERTY SEP ACCT-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-027	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	217426
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN BOND AND MORTGAGE SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-005	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	306954
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN DIVERSIFIED INTL SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-015	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	587260
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LGCAP S&P 500 INDEX SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-016	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	493249
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN INTL I SEPARATE ACCT-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-048	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	199402
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP GROWTH III SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-026	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	132802
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMALLCAP GROWTH I SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-070	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	91704
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LARGECAP GROWTH II SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-067	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	197307
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LARGECAP VALUE III SA-R6			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-068	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	131180

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMALLCAP GROWTH II SA-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-071	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSS LIFEPOINT GRWTH STR SA-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-081	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 266968

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSS LIFEPOINTS BAL STR SA-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-082	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 199337

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSS LIFEPOINTS CON STR SA-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-083	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1304314

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSS LFPT EQ GROWTH STR SA-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-084	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 41718

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSS LIFEPOINTS MOD STR SA-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-085	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 11262

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN DISC LARGECAP BLEND SA-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-092	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 358760

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMALLCAP VALUE II SA-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-096	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 94625

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN CORE PLUS BOND I SA-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-115	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 773

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

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

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

a Plan name

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

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
USA PROPERTIES FUND 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
USA PROPERTIES FUND, INC.

D Employer Identification Number (EIN)
95-3584895

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)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	144860	353077
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)	5410204	6812796
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	219177	210097
(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	5774241	7375970
	Liabilities			
g	Benefit claims payable	1g	0	
h	Operating payables	1h	0	
i	Acquisition indebtedness	1i	0	
j	Other liabilities	1j	0	
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	5774241	7375970

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)	372050	
	(B) Participants	2a(1)(B)	832391	
	(C) Others (including rollovers)	2a(1)(C)	20166	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1224607
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
	(B) U.S. Government securities	2b(1)(B)	0	
	(C) Corporate debt instruments	2b(1)(C)	0	
	(D) Loans (other than to participants)	2b(1)(D)	0	
	(E) Participant loans	2b(1)(E)	11834	
	(F) Other	2b(1)(F)	4895	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		16729
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
	(B) Common stock	2b(2)(B)	0	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	0	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(3) Rents	2b(3)		0
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

			(a) Amount	(b) Total
2b	(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
	(B) Other	2b(5)(B)	0	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
	(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
	(7) Net investment gain (loss) from pooled separate accounts	2b(7)		819088
	(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
	(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
	(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		0
c	Other income	2c		5689
d	Total income. Add all **income** amounts in column (b) and enter total	2d		2066113
	Expenses			
e	Benefit payment and payments to provide benefits:			
	(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	459106	
	(2) To insurance carriers for the provision of benefits	2e(2)	0	
	(3) Other	2e(3)	0	
	(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		459106
f	Corrective distributions (see instructions)	2f		0
g	Certain deemed distributions of participant loans (see instructions)	2g		0
h	Interest expense	2h		
i	Administrative expenses: (1) Professional fees	2i(1)	0	
	(2) Contract administrator fees	2i(2)	5278	
	(3) Investment advisory and management fees	2i(3)	0	
	(4) Other	2i(4)	0	
	(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		5278
j	Total expenses. Add all **expense** amounts in column (b) and enter total	2j		464384
	Net Income and Reconciliation			
k	Net income (loss). Subtract line 2j from line 2d	2k		1601729
l	Transfers of assets:			
	(1) To this plan	2l(1)		0
	(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [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: PERRY- SMITH LLP **(2)** EIN: 68-0041802

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	0
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	0
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	0
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	0
e	Was this plan covered by a fidelity bond?	**4e**	X		500000
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**			

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

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

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

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

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
USA PROPERTIES FUND 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
USA PROPERTIES FUND, INC.

D Employer Identification Number (EIN)
95-3584895

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): 42-0127290

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

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):

USA PROPERTIES FUND

401(k) SAVINGS PLAN

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2010 AND 2009 AND

FOR THE YEAR ENDED DECEMBER 31, 2010

AND

SUPPLEMENTAL SCHEDULE

AS OF DECEMBER 31, 2010

AND

INDEPENDENT AUDITOR'S REPORT

USA PROPERTIES FUND
401(k) SAVINGS PLAN

FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE

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All other schedules required by Section 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 have been omitted because they are not applicable.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
USA Properties Fund
401(k) Savings Plan

We were engaged to audit the accompanying statements of net assets available for benefits of USA Properties Fund 401(k) Savings Plan as of December 31, 2010 and 2009 and the related statement of changes in net assets available for benefits for the year ended December 31, 2010, and the supplemental schedule of assets (held at year end) as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified or provided by Principal Life Insurance Company, the Custodian of the Plan, except for comparing this information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the Custodian holds the Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the Custodian regarding the completeness and accuracy of the information summarized in Note 3 that was provided to the Plan Administrator by the Custodian as of and for the year ended December 31, 2010, and as of December 31, 2009.

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

Perry-Smith LLP

August 29, 2011

USA PROPERTIES FUND
401(k) SAVINGS PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2010 and 2009

	2010	2009
ASSETS		
Investments at fair value (Notes 3 and 5):		
Pooled separate accounts	$ 6,812,796	$ 5,410,204
Guaranteed investment contract (Note 4)	210,097	219,177
Total investments at fair value	7,022,893	5,629,381
Receivables:		
Notes receivable from participants (Note 3)	353,077	144,860
Total assets at fair value	7,375,970	5,774,241
Net assets available for benefits	$ 7,375,970	$ 5,774,241

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

USA PROPERTIES FUND
401(k) SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Year Ended December 31, 2010

ADDITIONS	
Investment income (Note 3):	
Net appreciation in fair value of investments	$ 824,142
Interest from guaranteed investment contract	4,895
Total investment income	829,037
Interest income on notes receivable from participant loans (Note 3)	12,469
Contributions:	
Participant	832,391
Employer	372,050
Rollovers	20,166
Total contributions	1,224,607
Total additions	2,066,113
DEDUCTIONS	
Benefits paid to participants	459,106
Administrative expenses	5,278
Total deductions	464,384
Net increase	1,601,729
Net assets available for benefits:	
Beginning of year	5,774,241
End of year	$ 7,375,970

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

USA PROPERTIES FUND
401(k) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

1. PLAN DESCRIPTION

The following description of the USA Properties Fund 401(k) Savings Plan (the "Plan") provides only general information. Participants should refer to the Summary Plan Description or Plan Document for a more complete description of the Plan's provisions.

General

USA Properties Fund, Inc. established the Plan effective September 1, 1995. The Plan is a defined contribution plan covering all eligible employees of USA Properties Fund, Inc. (the "Company") and its wholly owned subsidiaries, USA Multifamily Management, Inc., USA Construction Management, Inc. as well as its affiliate USA Multifamily Development, Inc. The Administrative Committee of the Company is responsible for administration and management of the Plan. All investments in the Plan are participant directed. The Principal Life Insurance Company ("Principal") serves as the Custodian ("Custodian") for the Plan. The Plan is a 401(k) Plan established for the benefit of the employees of the Company. The Plan is intended to satisfy all of the requirements for a qualified retirement plan under the appropriate provisions of the Internal Revenue Code (IRC) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligibility

Under the Plan, all employees of the Company who are at least 18 years of age, have completed one year and at least 1,000 hours of service, are eligible to participate in the Plan on the first pay period of the month that includes pay only for dates that fall after or on the first day of that month after they complete the eligibility requirements. Newly eligible employees are automatically enrolled in the Plan at a deferral rate of four percent of compensation following an election period during which the employee may either opt out of the Plan or choose a different salary deferral percentage in the manner prescribed by the Plan Administrator.

Vesting

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. All employees are 100% vested in all employer qualified matching contributions made after January 1, 2009. All matching and discretionary employer contributions made before January 1, 2009 vest over a five-year period at the rate of 20% per year starting at the completion of the first year of service and are 100% vested after the completion of five years. In case of retirement, disability, or death, the participant becomes 100% vested.

1. PLAN DESCRIPTION (Continued)

Contributions

Each year, participants may make salary deferral contributions in any percentage of their pretax annual compensation, as defined in the Plan, subject to certain IRC limitations. Effective January 1, 2009, the Plan was amended to adopt the Safe Harbor provision for 401(k) plans. Starting on January 1, 2009, employer qualified matching contributions were made at a rate of 100% of each employee's elective deferral contributions, not to exceed 3% of the employee's eligible salary, plus 50% of the employee's elective deferral contributions which are between 3% and 5% of each employee's eligible salary.

Starting January 1, 2010, the Plan has a Qualified Automatic Contribution Arrangement (QACA). The Plan Sponsor match is made at a rate of 100% of the first 1% of the employee's eligible salary deferred, plus 50% of the next 5% deferred. The total available match is 3.5%. Starting January 1, 2010, the Plan's auto enrollment feature was amended to allow for an automatic increase in deferral of 1% per year, up to a total deferral of 6%. Employees may either opt out of the Plan or chose a different salary deferral percentage in the manner prescribed by the Plan Administrator.

Additional amounts may be contributed at the discretion of the Company's Board of Directors. During 2010 and 2009, the Company made no additional discretionary contributions.

Participants may also contribute amounts representing distributions from other qualified plans.

Participant Accounts

Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contributions, the Company's matching contribution, Company discretionary contributions, and Plan earnings, and charged with withdrawals, allocations of Plan losses and administrative expenses. Allocations are based on participant earnings, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Participant's Investment Options

Participants direct the investment of their contributions and Company contributions to various investment options offered by the Plan. Participants may change their investment options directly through Principal.

Notes Receivable from Participants

Participants may borrow up to 50% of their vested accounts in the form of a loan with a minimum amount of $1,000 and maximum amount of $50,000. The loans are secured by the balance in the participant's account and bear interest at prevailing market rates at the time the funds are borrowed. Loan terms range from 1 to 5 years. Principal and interest is paid ratably through bi-weekly payroll deductions.

1. PLAN DESCRIPTION (Continued)

Payment of Benefits

Upon termination of service, due to death, disability, or retirement, a participant shall receive a distribution equal to the value of the participant's vested interest in his or her account in a lump sum or any other form of payment that may be permitted under the Plan. Upon termination of employment, participants with vested account balances of less than $1,000 will automatically receive a lump-sum distribution. Terminated participants with account balances greater than $1,000 who do not specify what they want done with their accounts will have their accounts rolled into a money market account. Participants may defer benefit payments when they reach age 70-1/2 if they are still actively employed. A participant may also request a distribution in the event of hardship, per the provisions of the Plan. As of December 31, 2010 and 2009, there are no benefits payable to participants that have elected to withdraw from the Plan, but have not yet been paid.

Forfeitures

Matching and discretionary forfeitures from the nonvested portion of terminated employees' account balances are used to offset the first employer contribution made after the forfeiture is determined. Forfeitures totaling $5,943 were used to reduce employer contributions during 2010.

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 will become fully vested in their accounts.

Administrative Expenses

The Company provides bookkeeping and other administrative services for the Plan at no charge. Investment management fees are paid by the Plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. Due to participants being subject to charges upon taking early withdrawals from the investment contract, the investment contract is not considered to be fully benefit-responsive and is reported at fair value at December 31, 2010 and 2009.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the reported amounts of net assets available for benefits, and changes therein, and disclosure of contingent assets and liabilities. 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. Participant loans are valued at their outstanding loan balances. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in fair value of investments includes net unrealized market appreciation and depreciation of investments and net realized gain and losses on the sale of investments during the period.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Risks and Uncertainties

The Plan utilizes various investment instruments, including pooled separate accounts and a guaranteed investment contract. Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Payment of Benefits

Benefits are recorded when paid.

Adoption of New Accounting Standards

Fair Value Measurements

In January 2010, the Financial Accounting Standards Board (FASB) issued FASB Accounting Standards Update (ASU) 2010-06*, Improving Disclosures about Fair Value Measurements,* which amends and clarifies existing standards to require additional disclosures regarding fair value measurements. Specifically, the standard requires disclosure of the amounts of significant transfers between Level 1 and Level 2 of the fair value hierarchy and the reasons for these transfers, the reasons for any transfers in or out of Level 3, and information in the reconciliation of recurring Level 3 measurements about purchases, sales, issuances and settlements on a gross basis. This standard clarifies that reporting entities are required to provide fair value measurement disclosures for each class of assets and liabilities—previously separate fair value disclosures were required for each major category of assets and liabilities. This standard also clarifies the requirement to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. Except for the requirement to disclose information about purchases, sales, issuances, and settlements in the reconciliation of recurring Level 3 measurements on a gross basis, these disclosures are effective for the year ended December 31, 2010. The requirement to separately disclose purchases, sales, issuances, and settlements of recurring Level 3 measurements becomes effective for the Plan for the year beginning on January 1, 2011. The Plan adopted this new accounting standard as of January 1, 2010 and the impact of adoption was not material to the Plan's financial position or results of operations.

Reporting for Participant Loans

In September 2010, the FASB issued ASU 2010-25, *Plan Accounting – Defined Contribution Pension Plans (Topic 962): Reporting Loans to Participants by Defined Contribution Pension Plans.* This ASU applies to any defined contribution pension plan that allows participant loans. The amendments in this ASU require that participant loans be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. The amendments in this ASU are effective for fiscal years ending after December 15, 2010, and should be applied retrospectively to all prior periods presented. The Plan adopted this new accounting standard as of January 1, 2010 and the impact of adoption was not material to the Plan's financial position or results of operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Standards (Continued)

Reporting for Participant Loans (Continued)

Prior year amounts and disclosures have been revised to reflect the retrospective application of adopting this new amendment. The adoption resulted in a reclassification of participant loans totaling $353,077 and $144,860 from investments to notes receivable as of December 31, 2010 and 2009, respectively. There was no impact to the net assets available for benefits as of December 31, 2010 and 2009, as a result of the adoption.

Accounting Standards Issued but Not Yet Adopted

Fair Value Measurement

In May 2011, the FASB issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (Topic 820) – Fair Value Measurement* ("ASU 2011-04"). ASU 2011-04 was issued to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and International Financial Reporting Standards. ASU 2011-04 changes certain fair value measurement principles and enhances the disclosure requirements particularly for level 3 fair value measurements. ASU 2011-04 is effective for annual reporting periods beginning after December 15, 2011. The Plan Administrator is currently evaluating the impact this update will have on the Plan's financial position and results of operations.

Reclassifications

Certain reclassifications have been made to prior year balances to conform to summary classifications used in the current year.

Subsequent Events

We have reviewed all events occurring from December 31, 2010 through August 29, 2011, the date the Plan's financial statements were available to be issued, and no subsequent events occurred requiring disclosure.

3. INFORMATION CERTIFIED BY THE CUSTODIAN (UNAUDITED)

The Plan Administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the following information was certified by Principal Life Insurance Company, the Custodian of the Plan's assets, and was not subjected to any auditing procedures, except for comparing such information to information included in the Plan's financial statements and the supplemental schedule.

3. INFORMATION CERTIFIED BY THE CUSTODIAN (UNAUDITED) (Continued)

The following table presents the investments that were certified by the Custodian. Investments that represent 5% or more of the Plan's net assets are separately identified.

	December 31,	
	2010	2009
Principle Life Insurance Company:		
Russell Life Conservative Strategy	$ 1,304,314	$ 878,072
Principal SmallCap Blend	609,532	440,629
Principal Diversified International	587,260	460,925
Principal MidCap Blend	582,087	435,398
Principal LargeCap S&P 500 Index	493,249	399,602
Principal Government and High Quality Bond	366,573	296,679
Principal Disciplined LargeCap Blend	358,760	317,218
Principal U.S. Property *	217,426	291,723
Other investments certified by the Custodian	2,503,692	2,109,135
Total investments	$ 7,022,893	$ 5,629,381

* In 2010, this investment fell below 5% of the Plan's net assets but is included for comparative purposes.

Principal Life Insurance Company also certified the completeness and accuracy of net appreciation (including investments bought and sold, as well as held during the year) in the fair value of investments of $824,142 and interest income from the guaranteed investment contract of $4,895 for the year ended December 31, 2010 and to all investment balances and information in the supplemental schedule.

During the year ended December 31, 2010, the Plan's investments appreciated (depreciated) in value by the following:

Pooled separate accounts	$ 825,105
Guaranteed investment contract	(963)
	$ 824,142

In addition, the Custodian certified notes receivable from participants of $353,077 and $144,860 at December 31, 2010 and 2009, respectively, as well as interest income on notes receivable from participants of $12,469 for the year ended December 31, 2010.

4. INVESTMENT CONTRACT WITH INSURANCE COMPANY

The Plan entered into a guaranteed interest investment contract with The Principal Life Insurance Company. The Principal Life Insurance Company maintains the contributions in two funds in pooled accounts with stated maturity dates. The accounts are credited with actual earnings on the underlying investments and charged for withdrawals and administration expenses. The reported value includes contributions made under the contract, plus earnings, less withdrawals and administrative expenses. Withdrawals are subject to a charge; therefore, the contracts are not considered to be fully benefit responsive (see Note 2). The fair value of the investment contract at December 31, 2010 and 2009 was $210,097 and $219,177, respectively, and contract value was $211,060 and $225,828, respectively, for the same periods.

5. FAIR VALUE MEASUREMENTS

Fair Value Hierarchy

The Plan groups its assets and liabilities measured at fair value within three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. Valuations within these levels are based upon:

Level 1 – Quoted market prices for identical instruments traded in active exchange markets.

Level 2 – Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.

Level 3 – Model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the Plan's estimates of assumptions that market participants would use on pricing the asset or liability. Valuation techniques include management judgment and estimation which may be significant.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Plan's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

5. FAIR VALUE MEASUREMENTS (Continued)

Assets Recorded at Fair Value

There were no changes in the valuation techniques used during 2010 or 2009. The following table presents information about the Plan's assets and liabilities measured at fair value on a recurring basis as of December 31, 2010 and 2009:

The Plan is required or permitted to record the following assets at fair value on a recurring basis under other accounting pronouncements:

	December 31, 2010			
Description	Fair Value	Level 1	Level 2	Level 3
Pooled separate accounts:				
Lifecycle investments	$ 1,823,599		$ 1,823,599	
MidCap investments	997,097		997,097	
LargeCap investments	1,180,496		1,180,496	
International investments	820,738		820,738	
SmallCap investments	795,861		795,861	
Other investments	1,195,005		1,195,005	
Total pooled separate accounts	6,812,796		6,812,796	
Guaranteed investment contract	210,097			$ 210,097
Total investments	$ 7,022,893	$ -	$ 6,812,796	$ 210,097

	December 31, 2009			
Description	Fair Value	Level 1	Level 2	Level 3
Pooled separate accounts	$ 5,410,204		$ 5,118,481	$ 291,723
Guaranteed investment contract	219,177			219,177
	$ 5,629,381	$ -	$ 5,118,481	$ 510,900

Fair values for pooled separate accounts (PSA) are reported at the net asset value (NAV) of each PSA at the reporting date. The PSA NAV is not a publicly-quoted price in an active market. The NAV is based on market values of the PSA's underlying investments (similar instruments in active markets) or based on the underlying value of real estate investments (unobservable assumptions).

5. FAIR VALUE MEASUREMENTS (Continued)

Assets Recorded at Fair Value (Continued)

The following table and explanations identify attributes relating to the nature and risk of such investments:

	As of December 31, 2010			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Level 2				
Pooled separate accounts	$ 6,812,796	$ -	Daily	1 Day

	As of December 31, 2009			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Level 2				
Pooled separate accounts	$ 5,118,481		Daily	1 Day
Level 3				
Pooled separate accounts	291,723		Varies	Discretionary
	$ 5,410,204	$ -		

Level 2 Pooled Separate Accounts – This category includes pooled separate accounts that invest primarily in domestic or foreign international equity securities and bonds and attempt to match the returns of specific indices. There are currently no restrictions on redemption rights for these accounts.

Level 3 Pooled Separate Accounts – This category includes a pooled separate account that invests primarily in real estate and attempts to match the returns of specific indices. There is currently a withdrawal limitation on this account that calls for funds to be redeemed at the discretion of the Oversight Committee for the account. When sufficient funds are available, payments will be made on a pro-rata basis to all investors with transaction requests subject to the withdrawal limitation regardless of when requests were submitted. Small amounts may be satisfied in full.

5. FAIR VALUE MEASUREMENTS (Continued)

Assets Recorded at Fair Value (Continued)

Fair value of the guaranteed investment contract is based on the fair value of the amount the Plan Sponsor would receive if they terminated the contract at the reporting date.

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 Board of Directors 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 a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2010.

	Pooled Separate Accounts	Guaranteed Investment Contract
Balance, January 1, 2010	$ 291,723	$ 219,177
Appreciation in fair value and interest, net		10,583
Purchases, sales, issuances and settlements, net	(291,723)	(19,663)
Balance, December 31, 2010	$ -	$ 210,097
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held	$ -	$ (963)

There were no transfers in or out of Levels 1, 2 or 3 during the years ended December 31, 2010 and 2009.

The Plan did not have any assets or liabilities measured at fair value on a non-recurring basis at December 31, 2010 or 2009.

6. FEDERAL INCOME TAX STATUS

Effective January 1, 1997, the Plan adopted a non-standardized form of a prototype plan sponsored by USA Properties Fund, Inc. retroactively effective January 1, 1995. USA Properties Fund, Inc. has received an opinion letter from the IRC dated July 22, 2003, which states that the prototype document satisfies the applicable provisions of the IRC. The Plan has been amended since receiving the opinion letter. However, the Plan's management 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 and the Plan continues to be tax exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan. Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax exempt status and had taken no uncertain tax positions that require recognition or disclosure in the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. With few exceptions, the Plan is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years before 2007.

7. PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are shares of pooled separate accounts managed by Principal Life Insurance Company. Principal Life Insurance Company is the Custodian as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for investment management services were included as a reduction of the return earned on each fund.

8. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of total investments at fair value per the financial statements at December 31, 2010 to Form 5500:

	2010	2009
Total investments per the financial statements	$ 7,022,893	$ 5,629,381
Plus:		
Notes receivable from participants	353,077	144,860
Total investments per Form 5500	$ 7,375,970	$ 5,774,241

9. PLAN AMENDMENTS AND SUBSEQUENT EVENTS

Effective January 1, 2010, the Plan was amended to allow for a Qualified Automatic Contribution Arrangement (QACA). The Plan Sponsor match will be made at a rate of 100% of the first 1% of the employees' eligible salary deferred, plus 50% of the next 5% deferred. The total available match will be 3.5%.

Also effective January 1, 2010, the Plan's auto enrollment feature will be amended to allow for an automatic increase in deferral of 1% per year, up to a total deferral of 6%. Employees may either opt out of the Plan or choose a different salary deferral percentage in the manner prescribed by the Plan Administrator.

SUPPLEMENTAL SCHEDULE

USA PROPERTIES FUND
401(k) SAVINGS PLAN

EMPLOYER IDENTIFICATION NUMBER: 95-3584895
PLAN NUMBER: 001

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

December 31, 2010

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	Units in Insurance Company Equity Account:			
*	Principal Life Insurance Company	Russell Life Conservative Strategy Pooled Separate Account ***	**	$ 1,304,314
*	Principal Life Insurance Company	SmallCap Blend Pooled Separate Account ***	**	609,532
*	Principal Life Insurance Company	Diversified International Pooled Separate Account ***	**	587,260
*	Principal Life Insurance Company	MidCap Blend Pooled Separate Account ***	**	582,087
*	Principal Life Insurance Company	LargeCap S&P 500 Index Pooled Separate Account ***	**	493,249
*	Principal Life Insurance Company	Government and High Quality Bond Pooled Separate Account ***	**	366,573
*	Principal Life Insurance Company	Disciplined LargeCap Blend Pooled Separate Account ***	**	358,760
*	Principal Life Insurance Company	Bond and Mortgage Pooled Separate Account ***	**	306,954
*	Principal Life Insurance Company	Money Market Pooled Separate Account ***	**	303,280
*	Principal Life Insurance Company	MidCap Value III Pooled Separate Account ***	**	282,208

(Continued)

USA PROPERTIES FUND
401(k) SAVINGS PLAN

EMPLOYER IDENTIFICATION NUMBER: 95-3584895
PLAN NUMBER: 001

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
(Continued)
December 31, 2010

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	Units in Insurance Company Equity Account: (Continued)			
*	Principal Life Insurance Company	Russell LifePoints Growth Strategy Pooled Separate Accounts ***	**	$ 266,968
*	Principal Life Insurance Company	U.S. Property Pooled Separate Accounts ***	**	217,426
*	Principal Life Insurance Company	International I Pooled Separate Account ***	**	199,402
*	Principal Life Insurance Company	Russell LifePoints Balanced Strategy Pooled Separate Accounts ***	**	199,337
*	Principal Life Insurance Company	LargeCap Growth II Pooled Separate Account ***	**	197,307
*	Principal Life Insurance Company	MidCap Growth III Pooled Separate Accounts ***	**	132,802
*	Principal Life Insurance Company	LargeCap Value III Pooled Separate Account ***	**	131,180
*	Principal Life Insurance Company	SmallCap Value II Pooled Separate Accounts ***	**	94,625
*	Principal Life Insurance Company	SmallCap Growth I Pooled Separate Accounts ***	**	91,704
*	Principal Life Insurance Company	Russell LifePoints Equity Growth Strategy Pooled Separate Accounts ***	**	41,718

(Continued)

USA PROPERTIES FUND
401(k) SAVINGS PLAN

EMPLOYER IDENTIFICATION NUMBER: 95-3584895
PLAN NUMBER: 001

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
(Continued)
December 31, 2010

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	Units in Insurance Company Equity Account: (Continued)			
*	Principal Life Insurance Company	International Emerging Markets Pooled Separate Account ***	**	$ 34,076
*	Principal Life Insurance Company	Russell LifePoints Moderate Growth Strategy Pooled Separate Account ***	**	11,262
*	Principal Life Insurance Company	Core Plus Bond I Pooled Separate Accounts ***	**	772
*	Principal Life Insurance Company	Guaranteed Interest Funds Interest rates from 1.04% to 4.30% ***	**	210,097
*	Notes receivable from participants	Participant Loans Interest rates ranging from 5.25% to 10.25%	**	353,077
				$ 7,375,970

* Party-in-interest to the Plan.
** Cost information not required as investments are 100% participant directed.
*** Number of shares not available.

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

USA PROPERTIES FUND 401(K)
SAVINGS PLAN
EIN 95 3584895
PLAN NUMBER 001
PLAN YEAR 01/01/2010 TO 12/31/2010

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
*	Principal Life Insurance Company	Insurance Company General Guaranteed Interest	$ 0.00	$ 210,097.37
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Bond and Mortgage SA-R6	$ 0.00	$ 306,953.78
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Disc LargeCap Blend SA-R6	$ 0.00	$ 358,759.82
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Diversified Intl SA-R6	$ 0.00	$ 587,260.33
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Govt & HQ Bond SA-R6	$ 0.00	$ 366,572.51
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Intl I Separate Acct-R6	$ 0.00	$ 199,401.58
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LargeCap Growth II SA-R6	$ 0.00	$ 197,306.82
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LargeCap Value III SA-R6	$ 0.00	$ 131,179.72
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LgCap S&P 500 Index SA-R6	$ 0.00	$ 493,249.15
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap Blend Sep Acct-R6	$ 0.00	$ 582,087.17
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap Growth III SA-R6	$ 0.00	$ 132,802.11
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap Value III SA-R6	$ 0.00	$ 282,208.02
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Money Market Sep Acct-R6	$ 0.00	$ 303,279.72
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SmallCap Growth I SA-R6	$ 0.00	$ 91,704.23
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SmallCap Value II SA-R6	$ 0.00	$ 94,624.89

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

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

USA PROPERTIES FUND 401(K)
SAVINGS PLAN
EIN 95 3584895
PLAN NUMBER 001
PLAN YEAR 01/01/2010 TO 12/31/2010

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SmCap Blend Sep Acct-R6	$ 0.00	$ 609,532.36
*	Principal Life Insurance Company	Pooled Separate Accounts Prin U.S. Property Sep Acct-R6	$ 0.00	$ 217,426.30
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN CORE PLUS BOND I SA-R6	$ 0.00	$ 773.01
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN INTL EMERG MARKETS SA-R6	$ 0.00	$ 34,076.18
*	Principal Life Insurance Company	Pooled Separate Accounts Russ LfPt Eq Growth Str SA-R6	$ 0.00	$ 41,717.89
*	Principal Life Insurance Company	Pooled Separate Accounts Russ LifePoint Grwth Str SA-R6	$ 0.00	$ 266,967.81
*	Principal Life Insurance Company	Pooled Separate Accounts Russ LifePoints Bal Str SA-R6	$ 0.00	$ 199,336.93
*	Principal Life Insurance Company	Pooled Separate Accounts Russ LifePoints Con Str SA-R6	$ 0.00	$ 1,304,314.45
*	Principal Life Insurance Company	Pooled Separate Accounts Russ LifePoints Mod Str SA-R6	$ 0.00	$ 11,261.56
	Participant Loans	Range of Interest Rates Rates Range From 5.25% To 10.25%	$ 0.00	$ 353,077.00

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