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
PROMETHEUS REAL ESTATE GROUP, INC. 401K PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 02/01/1985

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

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

2b Employer Identification Number (EIN) 94-3164729

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

2d Business code (see instructions) 531390

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/05/2011	TERRI LYNN CARDONA
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")

PROMETHEUS REAL ESTATE GROUP, INC.

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

3b Administrator's EIN: 94-3164729

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

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	769
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**	600
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	162
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	762
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	762
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	760
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	3
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

2E 2F 2G 2J 2K 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

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

a Pension Schedules

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

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

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**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
PROMETHEUS REAL ESTATE GROUP, INC. 401K PLAN

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
94-3164729

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 64 65	RECORDKEEPER	31818	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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

FILICE INSURANCE AGENCY

738 NORTH FIRST STREET, SUITE 202
SAN JOSE, CA 95112

77-0261203

(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?
27	ADVISOR	5750	Yes [ ] No [X]	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
FIDELITY INVESTMENTS INST. OPER. CO	60	0

(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.
PIMCO TOT RETRUN ADM 04-2526037	0.25% (ANNUALIZED FORMULA)

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INST. OPER. CO	60	0

(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.
MUTUAL GLBL DISC A 94-3167260	0.35% (ANNUALIZED FORMULA)

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INST. OPER. CO	60	0

(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.
MSIF MID-CAP GRTH 22-2382028	0.35% (ANNUALIZED FORMULA)

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
FIDELITY INV. INST. OP	60	0

(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.
DAVIS VENTURE FUND A 04-2526037	0.40% (ANNUALIZED FORMLUA)

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INV. INST. OP	60	0

(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.
THORNBURG INT VAL R4 04-2526037	0.35$ (ANNUALIZED AMOUNT)

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INV. INST. OP	60	0

(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.
RS EMERGING MARKETS 04-2526037	0.55% (ANNUALIZED FORMULA)

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
FIDELITY INV. INSTIT. OP. CO	60	0

(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.
MAINSTAY LGCP GR R1 04-2526037	0.35% (ANNUALIZED FORMLUA)

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INV. INSTIT. OP. CO	60	0

(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.
ARTISAN MID CAP VAL 04-2526037	0.40% (ANNUALIZED FORMULA)

(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

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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 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
PROMETHEUS REAL ESTATE GROUP, INC. 401K PLAN

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
94-3164729

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	233644	240211
(2) Participant contributions	1b(2)		854
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1010785	878325
(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)	510578	517209
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	10729015	12972448
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	12484022	14609047
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	12484022	14609047

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)	240211	
	(B) Participants	2a(1)(B)	1235618	
	(C) Others (including rollovers)	2a(1)(C)	126790	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1602619
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	169	
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	33686	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		33855
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	189726	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		189726
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	37657	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		37657

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		1482974
c Other income	2c		133
d Total income. Add all **income** amounts in column (b) and enter total	2d		3346964
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1045922	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1045922
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		138429
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	37588	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		37588
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1221939
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		2125025
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

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

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

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

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a	X		854
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		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
PROMETHEUS REAL ESTATE GROUP, INC. 401K PLAN

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
94-3164729

Part I Distributions

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

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

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

EIN(s): _____ _____

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

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

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

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

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

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

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

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

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

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

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

PROMETHEUS REAL ESTATE GROUP, INC. 401(K) PLAN

Financial Statements
December 31, 2010 and 2009

Together with
Independent Auditors' Report

SENSIBA SAN FILIPPO LLP

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

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

We were engaged to audit the statement of net assets available for benefits of the Prometheus Real Estate Group, Inc. 401(k) Plan as of December 31, 2010, and the related statement of changes in net assets available for benefits for the year then ended, and the supplemental schedule of assets (held at end of year) as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management. The financial statements of the plan as of December 31, 2009 were audited by other auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed the other auditors not to perform and they did not perform, any auditing procedures with respect to the information certified by the trustee. Their report, dated October 13, 2010, indicated that because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the financial statements taken as a whole and the form and content of the information included in the financial statements other than that derived from the information certified by the trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosures under ERISA.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the 2010 financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2010, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information in the Plan's 2010 financial statements and supplemental schedule that we did not audit, we are unable to, and do not, express an opinion on the accompanying 2010 financial statements and supplemental schedule taken as a whole. The form and content of the information included in the 2010 financial statements and supplemental schedule, other than that derived from the information certified by the trustee, 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.

Sensiba San Filippo LLP

San Mateo, California
September 19, 2011

PROMETHEUS REAL ESTATE GROUP, INC. 401(K) PLAN

Statement of Net Assets Available for Benefits

	December 31, 2010	December 31, 2009
Investments, at fair value:		
Mutual funds	$ 12,972,448	$ 10,729,015
Money market funds	878,325	1,010,785
	13,850,773	11,739,800
Other assets:		
Notes receivable from participants	517,209	510,578
Employer contributions receivable	240,211	233,644
Employee contributions receivable	854	-
Net assets available for benefits	$ 14,609,047	$ 12,484,022

The accompanying notes are an integral part of these financial statements

PROMETHEUS REAL ESTATE GROUP, INC. 401(K) PLAN

Statement of Changes in Net Assets Available for Benefits

	Year Ended December 31, 2010	Year Ended December 31, 2009
Additions to net assets attributed to:		
Investment income:		
Net appreciation in fair value of investments	$ 1,520,764	$ 2,525,171
Interest and dividends	189,895	142,238
Total investment income	1,710,659	2,667,409
Contributions:		
Participants	1,235,625	1,152,768
Employer	240,211	233,644
Rollovers	126,790	76,067
Total contributions	1,602,626	1,462,479
Other income:		
Interest on notes receivable from participants	33,686	38,998
Total additions	3,346,971	4,168,886
Deductions from net assets attributed to:		
Benefits paid to participants and beneficiaries	1,184,351	1,621,555
Administrative expenses and other	37,595	24,654
Total deductions	1,221,946	1,646,209
Net increase in net assets	2,125,025	2,522,677
Net assets available for benefits:		
Balance, beginning of year	12,484,022	9,961,345
Balance, end of year	$ 14,609,047	$ 12,484,022

The accompanying notes are an integral part of these financial statements

PROMETHEUS REAL ESTATE GROUP, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2010

Note 1 - Description of plan:

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

General - The Plan is a defined contribution plan established on February 1, 1985, and subsequently amended and restated by Prometheus Real Estate Group, Inc. (the "Company") to provide benefits to eligible employees as defined by the Plan document. Full-time, temporary part-time, on-call, or part-time employees scheduled to work less than 20 hours per week are eligible to participate in the Plan once they have (a) reached twenty-one years of age and (b) completed 1,000 hours of service. Employees may enroll on the first day of each month of the Plan year once eligibility requirements are met. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Company has appointed the Prometheus Real Estate Group, Inc. Retirement Investment Committee (the "Committee") to manage the operation and administration of the Plan. The Committee contracted with Fidelity Management Trust Company ("Fidelity") to act as the trustee and recordkeeper of the Plan and serve as a third-party administrator.

Employee contributions - Each year participants may contribute up to 90% of eligible compensation as defined in the Plan, excluding reimbursements or other expense allowances, fringe benefits, moving expenses, deferred compensation and welfare benefits. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified retirement plans. Participants direct the investment of their account balances into various investment options offered by the Plan. Participants may change their investment options daily. Deferrals consist of pre-tax and/or Roth 401(k) contributions.

Employer matching contributions - The Company may make a discretionary matching contribution, which in any given year will be an amount not to exceed 100% of participants' contributions up to 15% of the participant's eligible compensation, and is subject to a maximum of $1,000 per participant each year. To receive a match, the participant must be employed at the end of the Plan year. Additionally, any participant who died, terminated employment after attaining normal retirement age (as defined by the Plan document), was on leave or absence on the last day of the year or became disabled during the year, is eligible to receive matching contributions. For the years ended December 31, 2010 and 2009, the Company has chosen to match 50% of the participant's contributions, up to a maximum match of $1,000. The matching contributions for the years ended December 31, 2010 and 2009 were $240,211 and $233,644 respectively.

PROMETHEUS REAL ESTATE GROUP, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2010

Note 1 - Description of plan (continued):

Participant accounts - Each participant's account is credited with the participant's contribution and allocations of: (a) the Company's matching contribution, (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is from the participant's vested account.

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

Notes receivable from participants - Participants may borrow from their accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their account balance. A participant may not have more than one loan outstanding at any time. The loans are secured by the balance in the participant's account and bear interest at rates that are commensurate with local borrowing rates. Loan repayments are made ratably through payroll deductions over a period not to exceed five years, unless the loans were used to purchase a primary residence in which case the loan terms may not exceed ten years. As a result of the adoption of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update 2010-25, *Plan Accounting – Defined Contribution Plans*, the Plan classified participant loans as notes receivable from participants in the statement of net assets available for benefits and measured them at their unpaid principal balance plus any accrued but unpaid interest.

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

Payment of benefits - On termination of service due to death, disability, retirement or separation from service, participants may receive benefits in a lump sum, in accordance with the Plan. Unless otherwise instructed by the participant, participants with vested account balances of $1,000 or less upon separation will receive a lump sum cash payout and participants with vested account balances ranging from $1,000 to $5,000 will automatically be rolled over to an individual retirement account ("IRA").

As an active participant in the Plan, a participant may, upon attaining age 59 ½, request the distribution of his or her balance. In addition, a participant may apply for a hardship withdrawal, if he or she is experiencing an immediate and heavy financial need as defined by the specific criteria in the Plan document.

PROMETHEUS REAL ESTATE GROUP, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2010

Note 2 - Summary of accounting policies:

Basis of accounting - The accompanying financial statements of the Plan have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Contributions from participants are recorded when withheld from the participant. Benefit payments to participants are recorded when paid.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Investment valuation and income recognition - The Plan's investments are stated at fair value. The shares of registered investment companies (mutual funds) are valued at quoted market prices, which represent the net asset values of shares held by the Plan at year-end. The money market funds are valued at cost plus accrued interest, which approximates fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Fair value measurements - The Plan performs fair value measurements in accordance with FASB Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*. Refer to Note 3 for the fair value measurement disclosures associated with the Plan's investments.

Net appreciation in fair value of investments - The earnings, expenses, realized gains or losses, and unrealized appreciation (depreciation) in registered investment companies are recorded in the accompanying financial statements as net appreciation in fair value of investments.

Subsequent events - The Plan has evaluated subsequent events through the date that the financial statements are available to be issued which is the date of the independent auditors' report.

Recent accounting pronouncements - In January 2010, the FASB issued *Improving Disclosures about Fair Value Measurements - Fair Value Measurements and Disclosures* to add additional disclosures about the different classes of assets and liabilities measured at fair value, the valuation techniques and inputs used, the activity in Level 3 fair value measurements, and the transfers between Levels 1, 2, and 3. Levels 1, 2, and 3 of fair value measurements are defined in Note 3. The Plan has adopted this new accounting standards update in the year ending December 31, 2010 except for the provisions of this update that will be effective in the year ending December 31, 2011. The Plan is currently evaluating the impact of its pending adoption on the Plan's financial statements.

PROMETHEUS REAL ESTATE GROUP, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2010

Note 2 - Summary of accounting policies (continued):

Recent accounting pronouncements (continued) - In May 2011, the FASB issued Accounting Standards Update No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (Topic 8220) - Fair Value Measurement* (ASU 2011-04), to provided a consistent definition of fair value and common requirements for measurement of and disclosure about fair value between U.S. GAAP and International Financial Reporting Standards. ASU 2011-04 changes some fair value measurement principles, adds disclosure requirements for the use of nonfinancial assets measured or disclosed at fair value and enhances the disclosures about the recurring level 3 fair value measurements (as defined in Note 3 below). The Plan will adopt this new accounting standards update in the year ending December 31, 2012. The Plan is currently evaluating the impact of its pending adoption of the Plan's financial statements.

Note 3 - Fair value:

The Plan performs fair value measurements in accordance with ASC 820. ASC 820 defines fair value as the price that would be received from selling an asset in an orderly transaction between market participants at the measurement date. The accounting guidance for fair value measurement requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities;

- Level 2: inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

- Level 3: unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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

Note 3 - Fair value (continued):

The following table represents the fair value hierarchy for the Plan's financial assets measured at fair market value on a recurring basis as of December 31, 2010 (Level, 1, 2, and 3 inputs are defined above):

	Fair Value Measurements Using Input Type			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Large cap	$ 4,485,379	$ -	$ -	$ 4,485,379
Mid-cap	1,458,164	-	-	1,458,164
Small cap	362,905	-	-	362,905
International	1,899,324	-	-	1,899,324
Specialty	75,662	-	-	75,662
Blended	3,459,611	-	-	3,459,611
Bond	616,394	-	-	616,394
Other	615,010	-	-	615,010
Money market funds	878,325	-	-	878,325
	$ 13,850,773	$ -	$ -	$ 13,850,773

Investments measured at fair value on a recurring basis consisted of the following types of instruments as of December 31, 2009 (Level 1, 2, and 3 inputs are defined above):

	Fair Value Measurements Using Input Type			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Large cap	$ 4,048,386	$ -	$ -	$ 4,048,386
Mid-cap	1,170,316	-	-	1,170,316
Small cap	260,470	-	-	260,470
International	1,642,007	-	-	1,642,007
Specialty	55,123	-	-	55,123
Blended	2,693,849	-	-	2,693,849
Bond	496,911	-	-	496,911
Other	361,953	-	-	361,953
Money market funds	1,010,785	-	-	1,010,785
	$ 11,739,800	$ -	$ -	$ 11,739,800

PROMETHEUS REAL ESTATE GROUP, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2010

Note 4 - Investments:

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 Plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by Fidelity Management Trust Company, the trustee of the Plan, as complete and accurate, except for comparing such information to information included in the Plan's financial statements and supplemental schedule.

The following information included in the financial statements and supplemental schedule was provided by and certified by the Plan's trustee as complete and accurate:

- Investments as shown in the Statement of Net Assets Available for Benefits as of December 31, 2010 and 2009.
- Notes receivable from participants, as shown in the Statement of Net Assets Available for Benefits as of December 31, 2010 and 2009.
- Investment and other income, as shown in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2010 and 2009.
- Schedule H, Line 4i - Schedule of Assets (Held at End of Year).

Investments that represent 5% or more of the Plan's net assets are separately identified, as follows:

	December 31,	
Investments:	2010	2009
Fidelity Global Balanced Fund	$ 2,457,748	$ 2,515,474
Davis New York Venture Fund	2,133,836	2,036,354
Thornburg International Value Fund Class R4	1,463,558	1,247,536
Fidelity Spartan 500 Index Fund	1,322,272	1,177,424
Morgan Stanley Institutional Fund Mid Cap Growth Portfolio	1,193,660	940,601
Mainstay Large Cap Growth Fund-Class R1	982,436	822,167
Fidelity Retirement Money Market Portfolio	878,325	1,010,785

PROMETHEUS REAL ESTATE GROUP, INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2010

Note 5 - Related party transactions:

At December 31, 2010 and 2009, the Plan held for investment $5,701,673 and $4,882,572, respectively, in mutual funds and money market funds managed by Fidelity Management Trust Company. Fidelity Management Trust Company is the trustee as defined by the Plan; therefore, these transactions qualify as party-in-interest transactions. Fees paid during 2010 and 2009, to Fidelity Management Trust Company were $31,818 and $17,206, respectively.

Note 6 - 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 100% vested in their accounts.

Note 7 - Income tax status:

The prototype plan adopted by the Plan sponsor obtained its latest determination letter on March 31, 2008, in which the Internal Revenue Service stated that the prototype plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has not received a separate determination letter however the Plan administrator believes that the prototype plan, as adopted by the sponsor, is operating in compliance with the requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

Note 8 - Risks and uncertainties:

The Plan provides for investments in various investment securities which, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. 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 statement of net assets available for benefits and participant account balances.

PROMETHEUS REAL ESTATE GROUP, INC. 401(K) PLAN

Supplemental Schedule Accompanying the 2010 Form 5500

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

December 31, 2010

EIN 94-3164729

Plan Number: 001

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
*	Fidelity Global Balanced Fund	Mutual Fund	$ 2,457,748
	Davis New York Venture Fund	Mutual Fund	2,133,836
	Thornburg International Value Fund Class R4	Mutual Fund	1,463,558
*	Fidelity Spartan 500 Index Fund	Mutual Fund	1,322,272
	Morgan Stanley Institutional Fund Trust Mid Cap Growth Portfolio	Mutual Fund	1,193,660
	Mainstay Large Cap Growth Fund-Class R1	Mutual Fund	982,436
	RS Emerging Markets Fund	Mutual Fund	614,603
	PIMCO Total Return Fund	Mutual Fund	613,562
	Mutual Global Discovery A	Mutual Fund	423,551
	Artisan Mid Cap Value Fund	Mutual Fund	264,504
*	Fidelity Freedom 2030	Mutual Fund	233,220
	Royce Total Return Fund	Mutual Fund	194,037
*	Fidelity Freedom 2040	Mutual Fund	179,590
	Brown Capital Mgmt Small Company Inst	Mutual Fund	168,783
*	Fidelity Freedom 2045	Mutual Fund	153,813
*	Fidelity Freedom 2025	Mutual Fund	146,590
*	Fidelity Freedom 2050	Mutual Fund	118,983
*	Fidelity Freedom 2035	Mutual Fund	105,450
	Cohen & Steers Realty Shares, Inc.	Mutual Fund	75,662
*	Fidelity Contrafund	Mutual Fund	36,286
*	Fidelity Freedom 2020	Mutual Fund	35,216
*	Fidelity Freedom 2015	Mutual Fund	14,993
*	Fidelity Freedom 2010	Mutual Fund	13,657
	Spartan International Index Fund	Mutual Fund	12,215
	American Century Equity Income Inv	Mutual Fund	6,435
*	Fidelity Spartan Total Market Index Fund - Investor Class	Mutual Fund	3,021
*	Fidelity Spartan U.S. Bond Index Fund - Investor Class	Mutual Fund	1,668
	American Century Inflation Adjusted Treasury Inv	Mutual Fund	1,164
	Oakmark Equity & Income CL I	Mutual Fund	1,094
*	Fidelity Government Income Fund	Mutual Fund	407
*	Fidelity Freedom 2000	Mutual Fund	350
*	Fidelity Spartan Extended Market Index Fund - Investor Class	Mutual Fund	84
	Total Mutual Funds		12,972,448
*	Fidelity Retirement Money Market Portfolio	Money Market	878,325
	Total Investments at Fair Value		$ 13,850,773
*	Notes Receivable from Participants	4.25% - 10.25% Maturing through 2024	$ 517,209

* Represents a party-in-interest as defined by ERISA

Column (d), cost, has been omitted as all investments are participant directed.

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

Name of Plan:

► PROMETHEUS REAL ESTATE GROUP, INC. 401K PLAN

Employer Identification Number:► 94-3164729

For plan year (beginning/ending):► 01/01/2010 - 12/31/2010 Plan number:► 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	PARTICIPANT LOANS	participant loans 5.25% - 10.25%		511,389.36
	PIMCO TOT RETURN ADM	Shares of a Registered investment Co.	622,877.34	613,562.34
	MUTUAL GBL DISCVRY A	Shares of a Registered investment Co.	380,618.09	423,551.25
	MSIF MID CAP GRTH P	Shares of a Registered investment Co.	843,146.21	1,193,660.32
	COHEN & STEERS RLTY	Shares of a Registered investment Co.	55,404.34	75,662.26
	DAVIS NY VENTURE A	Shares of a Registered investment Co.	1,827,566.11	2,133,836.23
	BROWN SMALL CO INST	Shares of a Registered investment Co.	130,427.84	168,783.46
	AM CENT EQUITY INC	Shares of a Registered investment Co.	5,623.76	6,434.74
	MAINSTAY LGCP GR R1	Shares of a Registered investment Co.	777,501.73	982,436.08
	THORNBURG INT VAL R4	Shares of a Registered investment Co.	1,230,755.07	1,463,557.91
	RS EMERGING MKTS A	Shares of a Registered investment Co.	509,139.11	614,602.86
	OAKMARK EQ & INC I	Shares of a Registered investment Co.	1,026.91	1,094.12
	ARTISAN MID CAP VAL	Shares of a Registered investment Co.	221,843.21	264,503.68
	ROYCE TOT RETURN SER	Shares of a Registered investment Co.	151,344.35	194,037.07
	AMCENT INFL-ADJBD IV	Shares of a Registered investment Co.	1,171.88	1,163.79
	FID CONTRAFUND	Shares of a Registered investment Co.	30,842.30	36,285.60
	FID GOV'T INCOME	Shares of a Registered investment Co.	416.99	407.40
	FID GLOBAL BALANCED	Shares of a Registered investment Co.	2,170,033.37	2,457,746.13
	FID FREEDOM 2000	Shares of a Registered investment Co.	340.77	349.67
	FID FREEDOM 2010	Shares of a Registered investment Co.	12,834.37	13,656.96
	FID FREEDOM 2020	Shares of a Registered investment Co.	33,238.13	35,216.18
	FID FREEDOM 2030	Shares of a Registered investment Co.	212,413.12	233,219.89
	SPTN TOT MKT IDX INV	Shares of a Registered investment Co.	2,932.98	3,020.59
	SPTN EXT MKT IDX INV	Shares of a Registered investment Co.	82.31	84.32
	SPARTAN INTL INDEX	Shares of a Registered investment Co.	11,576.15	12,215.24
	FIDELITY RETIRE MMKT	Shares of a Registered investment Co.	878,324.90	878,324.90
	SPARTAN 500 INDEX	Shares of a Registered investment Co.	1,100,985.54	1,322,272.08
	FIDELITY US BD INDEX	Shares of a Registered investment Co.	1,676.49	1,668.20
	FID FREEDOM 2040	Shares of a Registered investment Co.	165,802.53	179,589.57
	FID FREEDOM 2015	Shares of a Registered investment Co.	13,999.58	14,993.22
	FID FREEDOM 2025	Shares of a Registered investment Co.	134,588.87	146,590.44
	FID FREEDOM 2035	Shares of a Registered investment Co.	95,924.07	105,450.26
	FID FREEDOM 2045	Shares of a Registered investment Co.	138,457.62	153,813.33
	FID FREEDOM 2050	Shares of a Registered investment Co.	108,165.00	118,982.86