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), 6057(b), 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

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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
FAIRFIELD 401K PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 02/01/1996

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

FF PROPERTIES LP

5510 MOREHOUSE DRIVE SUITE 200
SAN DIEGO, CA 92121

2b Employer Identification Number (EIN)
33-0775355

2c Sponsor's telephone number
858-457-2123

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.	10/11/2012	KIMBERLY VANDEMOORTELE
	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")
FF PROPERTIES LP

5510 MOREHOUSE DRIVE SUITE 200
SAN DIEGO, CA 92121

3b Administrator's EIN
33-0775355

3c Administrator's telephone number
858-457-2123

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**	2258
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**	1230
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	798
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	2028
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	2028
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	1918
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	185
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 3D 3H 2T

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

2011

This Form is Open to Public Inspection

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

A Name of plan
FAIRFIELD 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
FF PROPERTIES LP

D Employer Identification Number (EIN)
33-0775355

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
PRUDNETIAL RETIREMENT INS AND ANNUITY CO

(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
06-1050034	93629	041697	1918	01/01/2011	12/31/2011

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	

(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	

(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	8261194
5	Current value of plan's interest under this contract in separate accounts at year end	5	4387471

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 ▶ GUARANTEED GENERAL ACCOUNT CONTRACT

b	Balance at the end of the previous year		7b	0
c	Additions: (1) Contributions deposited during the year	7c(1)	170298	
	(2) Dividends and credits	7c(2)		
	(3) Interest credited during the year	7c(3)	19011	
	(4) Transferred from separate account	7c(4)	40315	
	(5) Other (specify below)	7c(5)	8107112	
	▶ `TRNASFER IN, LOAN REPAYMENTS FORFEITURE CREDIT MISC IN			
	(6)Total additions		7c(6)	8336736
d	Total of balance and additions (add **b** and **c(6)**).		7d	8336736
e	Deductions:			
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	22669	
	(2) Administration charge made by carrier	7e(2)	148	
	(3) Transferred to separate account	7e(3)	264	
	(4) Other (specify below)	7e(4)	52461	
	▶ TRANSFERS OUT, LOAN INITIATION FORFEITURE DEBIT, MISC OUT			
	(5) Total deductions		7e(5)	75542
f	Balance at the end of the current year (subtract **e(5)** from **d**)		7f	8261194

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 organizations(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)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Service Provider 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

2011

This Form is Open to Public Inspection.

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

A Name of plan
FAIRFIELD 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
FF PROPERTIES LP

D Employer Identification Number (EIN)
33-0775355

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

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(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)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(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 15 37 50 60 64	NONE	46914	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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

LAVINE, LOFGREN,MORRIS & ENGELBERG,

33-0690020

(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?
10	NONE	17070	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

401K ADVISORS, INC.

33-0905143

(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	NONE	20000	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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)

BAKER & MCKENZIE LLP

36-2137456

(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?
29	NONE	4732	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

THE PRUDENTIAL INSURANCE COMPANY OF

22-1211670

(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?
15 37 50 64	NONE	0	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] 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
THE PRUDENTIAL INSURANCE COMPANY OF	15 64	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.
WELLS FARGO 52-2250941	37.900 BPS AND $0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2011 TO 12/31/2011 PRU STABLE VALUE FD 45

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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(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

2011

This Form is Open to Public Inspection.

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

A Name of plan
FAIRFIELD 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
FF PROPERTIES LP

D Employer Identification Number (EIN)
33-0775355

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: CORE PLUS BOND/PIMCO

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

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)
06-1050034-299	P	4241579

a Name of MTIA, CCT, PSA, or 103-12 IE: SA/JANUS BALANCED STRAT

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

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)
06-1050034-180	P	145892

a Name of MTIA, CCT, PSA, or 103-12 IE: STABLE RETURN FUND G

b Name of sponsor of entity listed in (a): WELLS FARGO BANK NA

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)
41-6202499-001	C	0

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2011

This Form is Open to Public Inspection

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

A Name of plan
FAIRFIELD 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
FF PROPERTIES LP

D Employer Identification Number (EIN)
33-0775355

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	17011762	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(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)	1802379	1665801
(9) Value of interest in common/collective trusts	1c(9)	7121302	0
(10) Value of interest in pooled separate accounts	1c(10)	0	4387471
(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)	12847554	22534274
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	0	8261194
(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	38782997	36848740
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	38782997	36848740

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)	934054	
(B) Participants	2a(1)(B)	3425833	
(C) Others (including rollovers)	2a(1)(C)	131247	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		4491134
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	67328	
(F) Other	2b(1)(F)	19011	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		86339
(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)	174531	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		174531
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		146219
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		90522
(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)		-1535581
c Other income	2c		39373
d Total income. Add all **income** amounts in column (b) and enter total	2d		3492537
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	5241114	
(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)		5241114
f Corrective distributions (see instructions)	2f		72156
g Certain deemed distributions of participant loans (see instructions)	2g		22712
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	90812	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		90812
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		5426794
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-1934257
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: LAVINE, LOFGREN, MORRIS & ENGELBERG (2) EIN: 33-0690020

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		784753
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		5000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	**4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**		X	

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

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

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

A Name of plan
FAIRFIELD 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
FF PROPERTIES LP

D Employer Identification Number (EIN)
33-0775355

Part I Distributions

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

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

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

EIN(s): 22-1211670

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 (include any prior year accumulated funding deficiency not waived) **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 or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **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. 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): _____

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):

FAIRFIELD 401(K) PLAN

(FORMERLY FAIRFIELD RESIDENTIAL L.L.C. 401(K) PLAN)

**INDEPENDENT AUDITORS' REPORT,
FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULES**

December 31, 2011

FAIRFIELD 401(K) PLAN
(FORMERLY FAIRFIELD RESIDENTIAL L.L.C. 401(K) PLAN)

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INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of the
Fairfield 401(k) Plan
(formerly Fairfield Residential L.L.C. 401(k) Plan)
San Diego, California

We were engaged to audit the financial statements of the Fairfield 401(k) Plan (formerly Fairfield Residential L.L.C. 401(k) Plan) (the "Plan") as of December 31, 2011 and 2010, and for the year ended December 31, 2011, and the supplemental schedules as of December 31, 2011, as listed in the accompanying table of contents. These financial statements and supplemental schedules are the responsibility of the Plan's management.

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 8, which was certified by the respective trustees of the Plan, Prudential Bank & Trust, F.S.B. for 2011 and Wells Fargo & Company for 2010, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained certifications from the trustees as of December 31, 2011 and 2010, and for the year ended December 31, 2011, that the information provided to the Plan administrator by the trustees is complete and accurate.

As described in Note 2, these financial statements and supplemental schedules were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

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 schedules taken as a whole. The supplemental schedules are presented for the purposes of additional analysis and are not a required part of the financial statements, but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Lavine, Lofgren, Morris & Engelberg, LLP

October 3, 2012

FAIRFIELD 401(K) PLAN
(FORMERLY FAIRFIELD RESIDENTIAL L.L.C. 401(K) PLAN)

Statements of Net Assets Available for Benefits (Modified Cash Basis)
As of December 31, 2011 and 2010

	2011	2010
ASSETS		
Investments, at fair value:		
Cash	$ -	$ 17,011,762
Mutual funds	22,534,274	12,847,554
Pooled separate accounts	4,387,471	-
Common/collective trust funds	-	7,277,659
Guaranteed income fund - unallocated contract	8,261,194	-
Total investments	35,182,939	37,136,975
Notes receivable from participants	1,665,801	1,802,379
Total assets	36,848,740	38,939,354
LIABILITIES	-	-
Net assets reflecting investments at fair value	36,848,740	38,939,354
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	-	(156,357)
NET ASSETS AVAILABLE FOR BENEFITS	$ 36,848,740	$ 38,782,997

See accompanying notes to financial statements.

FAIRFIELD 401(K) PLAN
(FORMERLY FAIRFIELD RESIDENTIAL L.L.C. 401(K) PLAN)

Statement of Changes in Net Assets Available for Benefits (Modified Cash Basis)
For the Year Ended December 31, 2011

Additions to net assets attributed to:	
Contributions:	
Participants - current	$ 3,425,833
Participants - rollover	131,247
Employer	934,054
Total contributions	4,491,134
Interest income on notes receivable from participants	67,328
Total additions	4,558,462
Deductions from net assets attributed to:	
Benefits paid to participants	(5,241,114)
Deemed distributions on defaulted loans	(22,712)
Corrective distributions	(72,156)
Administrative expenses	(90,812)
	(5,426,794)
Investment income (loss):	
Net depreciation in fair value of mutual funds	(1,535,581)
Dividends from mutual funds	174,531
Net appreciation in contract value of common/collective trust funds	146,219
Net appreciation in the fair value of pooled separate accounts	90,522
Interest income from guaranteed income fund	19,011
Other income	39,373
Net investment loss	(1,065,925)
Total deductions	(6,492,719)
Net decrease	(1,934,257)
Net assets available for benefits:	
Beginning of year	38,782,997
End of year	$ 36,848,740

See accompanying notes to financial statements.

NOTE 1. DESCRIPTION OF PLAN

The Fairfield 401(k) Plan, formerly the Fairfield Residential L.L.C. 401(k) Plan (the "Plan"), is sponsored by FF Properties L.P. and related entities collectively referred to as the "Company." The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General and Transfer of Plan Assets

The Plan, which became effective on February 1, 1996, is a defined contribution plan covering all employees who are at least 21 years of age and who have been employed for 1 year in which they have completed at least 1,000 hours of service. The Plan excludes employees subject to collective bargaining agreements and any nonresident alien employees with no U.S. source income. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective January 3, 2011, the Plan changed its trustee, custodian and record keeper from Wells Fargo & Company ("Wells Fargo") to Prudential Bank & Trust, F.S.B. ("Prudential"). Additionally, the Plan agreement was restated and the Plan's name was changed to the Fairfield 401(k) Plan. In anticipation of these changes, on December 31, 2010, the Plan sold certain investments in the amount of $17,011,762 which is presented as cash in the accompanying financial statements. In January 2011, all Plan assets were transferred from Wells Fargo to Prudential.

Participant Contributions

The Plan allows eligible participants to make elective salary reduction contributions. Participant contributions include contributions by election of the employee to reduce the employee's compensation from 1% up to 100% of compensation, subject to limitations imposed by the Internal Revenue Code ("Code"). The Plan has automatic enrollment and automatic contribution features, such that newly eligible participants, except those who affirmatively elect not to participate or to have a specified amount contributed to the Plan, will automatically have 3% of their compensation deferred into the Plan. Effective January 1, 2010, the Plan automatically increases the deferral percentages by 1% for participants who were automatically enrolled in the Plan on or after January 1, 2009, in the amount of 1% and on each anniversary thereafter from the automatic enrollment date in 1% increments until the deferral percentage is at 10%. Participants may also contribute amounts representing distributions from other qualified sources.

Employer Contributions

The terms of the Plan allow the Company to make discretionary matching contributions equal to a specified percentage of a participant's compensation. For 2011, the discretionary matching contribution is equal to 50% of the participant's deferral contributions but no more than $5,000 during the Plan year.

NOTE 1. DESCRIPTION OF PLAN (Continued)

Vesting and Partial Plan Termination

Participants are immediately vested in their salary reduction and rollover contributions plus actual earnings thereon. Vesting in the remainder of their accounts is based upon years of service and dates of termination. Effective January 1, 2011, the Plan was amended to have one vesting schedule and removed the vesting schedule for participants terminated prior to January 1, 2002. The vesting schedule is 20% after 2 years of credited service and a 20% increment for each additional year of service until 100% vested after 6 years of credited service with credited service based on the participant's period of service (from hire date to termination date).

In addition, participants automatically become fully vested, regardless of the applicable vesting table, upon the attainment of their normal retirement age, upon disability, upon death, or upon termination of the Plan.

During 2008, 2009 and 2010 (the "Determination Period"), the Company had various lay-offs and other employer-initiated terminations. As a result, the Plan administrator determined, based on the number of terminated participants affected, that these terminations qualified as a partial plan termination. Under a partial plan termination, affected participants become fully vested in their accounts. Some participants had their account balances fully distributed to them or rolled over into qualified sources prior to this partial plan termination determination. Those participants who had forfeitures deducted from their distributions for the nonvested amount were deemed 100% vested in their account balances and will receive an additional distribution of the previously forfeited amounts, to the extent forfeiture reinstatement has not already occurred. Those participants who have not had their account balances distributed were deemed 100% vested in their account balances and will receive the full balance of their vested accounts.

In December 2009, the Plan reinstated to participants forfeited amounts totaling $365,269, that were determined to be fully vested due to the partial plan termination, representing amounts forfeited during 2008 and 2009. In November 2011, the Plan reinstated forfeited amounts totaling $109,008, that were determined to be fully vested due to the partial plan termination, representing amounts forfeited during 2010. The Plan continues to work on determining the effect the partial plan termination has on the affected participant accounts and their previously forfeited amounts, if any, and will reinstate additional forfeited amounts as necessary.

Forfeitures

Forfeitures of terminated participants' accounts are applied to unallocated asset accounts. Funds from such accounts are used to reinstate previously forfeited amounts, offset administrative expenses of the Plan and then, to the extent forfeitures remain, are used to reduce the Company's contribution to the Plan. During 2011, $493,891 was added to forfeitures from participant accounts for non-vested amounts, $574,505 was used to reduce the Company's 2011 Plan year matching contribution, and $34,891 was used to reduce Plan expenses. The forfeiture account had investment losses of $3,738 and $109,008 of the forfeitures was used to reinstate previously forfeited amounts. As of December 31, 2011 and 2010, the forfeiture balance was $249,518 and $477,769, respectively.

NOTE 1. DESCRIPTION OF PLAN (Continued)

Participant Accounts

Each participant's account is credited with the participant's contributions, the Company's contributions (if any), and an allocation of Plan earnings and losses. Allocations are calculated as of each valuation date in proportion to the value of participant's accounts on the preceding valuation date. As of each valuation date, appropriate adjustments are made for the allocation of contributions, withdrawals, and distributions since the preceding valuation date. Upon enrollment in the Plan, a participant may direct contributions and earning allocations in any of the Plan's investment options. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Notes Receivable from Participants

Participants may borrow against their accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested interest in their account balances. Loans are required to be repaid within 5 years unless the loan is used to acquire a principal residence, for which the repayment period is up to 10 years. The loans are secured by half of the participant's vested interests in his/her account balance. The loans bear interest at rates determined by the Plan administrator. The interest rates on loans as of December 31, 2010 ranged from 4.25% to 9.25%. Principal and interest are paid regularly through payroll deductions.

Benefits

Upon death, termination, retirement, attaining age 59½, and/or hardship, participants may elect to receive a distribution of their account in lump sum, or defer distribution if the account exceeds $1,000. Initial distributions must begin no later than the year after the participant attains the age of 70½.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan maintains its books and financial records using the modified cash basis of accounting, which is a comprehensive basis of accounting other than the generally accepted accounting principles in the United States of America. Under this method, contributions and revenues are recognized when received, rather than when earned, and expenses and excess contributions are recorded when paid, not when incurred.

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. The statements of net assets available for benefits present the fair value, as reported to the Plan by the trustees, of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Valuation and Income Recognition

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

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

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Notes Receivable from Participants

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

Payment of Benefits

Benefits are recorded when paid.

Subsequent Events

The Plan has evaluated subsequent events through the date of the independent auditors' report, which is the date the financial statements were available to be issued (see Note 12).

NOTE 3. INVESTMENTS

The Plan's investments were held by the trustees of the Plan as of December 31, 2011 and 2010. All investments are participant directed. The following investments represent 5% or more of the Plan's net assets as of December 31:

	2011	2010
Cash	*	$ 17,011,762
Mutual Funds:		
American EuroPacific Growth Fund R3	4,884,783	3,141,963
JPMorgan Large Cap Growth A	3,358,819	*
Invesco Growth & Income Fund A	2,585,418	*
Perkins Mid Cap Value Fund Class T	2,560,627	2,445,045
American Fundamental Investment Fund R3	1,986,181	*
American - The Growth Fund	*	2,098,361
Dreyfus Mid Cap Index Fund	*	2,016,866
Pooled Separate Accounts:		
Core Plus Bond/PIMCO	4,241,579	*
Unallocated Contract:		
Guaranteed Income Fund	8,261,194	*
Common/Collective Trust Fund:		
Wells Fargo Stable Return Fund	*	7,277,659
	27,878,601	33,991,656
All other investments representing less than 5% of Plan's net assets	7,304,338	3,145,319
Total investments at fair value	$ 35,182,939	$ 37,136,975

*Investment is less than 5% of the Plan assets, or is not an investment option as of date indicated.

NOTE 4. FAIR VALUE MEASUREMENTS

The framework for measuring fair value is provided by Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs are unadjusted, quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs are either directly or indirectly observable for the asset or liability through correlation with related market data at the measurement date and for the duration of the instrument's anticipated life.

Level 3 – Inputs are both unobservable and significant to the overall fair value measurement for the asset or liabilities at the measurement date. These inputs reflect Plan management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for investments measured at fair value at December 31, 2011 and 2010:

Mutual funds: Valued at the net asset value of shares held by the Plan.

Pooled separate accounts: Valued at the net asset value of shares held by the Plan.

Common/collective trust funds: Valued at the present value of the expected cash flows for traditional insurance contracts and at the aggregate market value of the underlying investments for the alternative investment contracts (based primarily on quoted market prices).

Guaranteed income fund: Valued at the aggregate market value of the underlying investments for the alternative investment contracts (based primarily on quoted market prices).

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

NOTE 4. FAIR VALUE MEASUREMENTS (Continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2011 and 2010:

	December 31, 2011			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Foreign Large Blend	$ 4,884,783	$ -	$ -	$ 4,884,783
Large Growth	3,358,819	-	-	3,358,819
Large Value	2,585,418	-	-	2,585,418
Mid-Cap Value	2,560,627	-	-	2,560,627
Large Blend	1,986,181	-	-	1,986,181
Mid-Cap Growth	1,794,848	-	-	1,794,848
Small-Cap Value	1,744,593	-	-	1,744,593
Mid-Cap Blend	1,664,289	-	-	1,664,289
Small-Cap Growth	1,192,235	-	-	1,192,235
Real Estate	762,481	-	-	762,481
Pooled Separate Accounts:				
Fixed Income - Domestic	-	4,241,579	-	4,241,579
Balanced - Growth	-	145,892	-	145,892
Unallocated Contract:				
Stable Value	-	8,261,194	-	8,261,194
Total investments at fair value	$ 22,534,274	$ 12,648,665	$ -	$ 35,182,939

	December 31, 2010			
	Level 1	Level 2	Level 3	Total
Cash	$ 17,011,762	$ -	$ -	$ 17,011,762
Mutual Funds:				
Foreign Large Blend	3,141,963	-	-	3,141,963
Large Growth	2,098,361	-	-	2,098,361
Large Value	901,463	-	-	901,463
Mid-Cap Value	2,445,045	-	-	2,445,045
Mid-Cap Growth	1,519,135	-	-	1,519,135
Mid-Cap Blend	2,016,866	-	-	2,016,866
Small Growth	724,721	-	-	724,721
Common/Collective Trust Fund	-	7,277,659	-	7,277,659
Total investments at fair value	$ 29,859,316	$ 7,277,659	$ -	$ 37,136,975

NOTE 5. GUARANTEED ANNUITY INSURANCE CONTRACT WITH PRUDENTIAL

Effective January 2011, the Plan entered into a benefit-responsive group annuity insurance contract (Guaranteed Income Fund) with Prudential Retirement Insurance and Annuity Company ("Prudential Insurance"). Prudential Insurance maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed insurance contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed insurance contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. The guaranteed insurance contract is presented on the face of the statement of net assets available for benefits at fair value with no adjustment to contract value in arriving at net assets available for benefits. The Plan owns a promise to pay interest at crediting rates which are announced in advance and guaranteed for a specified period of time as outlined in the group annuity contract. This product is not a traditional guaranteed investment contract and therefore there are not any known cashflows that could be discounted. As a result, the fair value amount shown is equal to the contract value.

Contract value, as reported to the Plan by Prudential Insurance, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

Interest is credited on contract balances using a single "portfolio rate" approach. Under this methodology, a single interest crediting rate is applied to all contributions made to the product regardless of the timing of those contributions. Interest crediting rates are reviewed on a semi-annual basis for resetting. When establishing interest crediting rates for this product, Prudential Insurance considers many factors, including current economic and market conditions, the general interest rate environment and both the expected and actual experience of a reference portfolio within the issuer's general account. These rates are established without the use of a specific formula. The minimum crediting rate under the contract is 1.50%.

During year ending December 31, 2011, the average yield earned by the Plan and average yield credited to participants was 2.8%

Generally there are not any events that could limit the ability of the Plan to transact at contract value paid within 90 days or in rare circumstances, contract value paid over time. There are not any events that allow the issuer to terminate the contract and which require the plan sponsor to settle at an amount different than contract value paid either within 90 days or over time.

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. TAX STATUS

The Plan is a qualified prototype plan under Section 401 of the Code. The prototype plan qualification applies only to plans which adopt the standardized plan provided all the terms of the Plan are followed, and the eligibility requirements and contribution or benefit provisions are not more favorable for highly compensated employees than for other employees. The Plan has been amended since the original prototype plan was established; however, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the accompanying financial statements.

The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no tax audits in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

NOTE 8. SUMMARY OF INFORMATION CERTIFIED BY THE TRUSTEES

All investment information disclosed in the accompanying financial statements and supplemental schedule (Schedule H, Part IV, Line 4i), including investments held at December 31, 2011 and 2010, and net deprecation/appreciation in fair value of investments, dividends, interest income and expenses for the year ended December 31, 2011, were obtained or derived from information provided to the Plan administrator and certified as complete and accurate by the respective trustees of the Plan.

NOTE 9. RELATED PARTY TRANSACTIONS

The Company provides certain administrative services for the Plan at no cost to the Plan. Additionally, some of the funds are managed by the trustees of the Plan, Prudential during 2011 and Wells Fargo during 2010, which earn a fee for their services (see Note 11).

These transactions qualify as party-in-interest transactions.

NOTE 10. RISKS AND UNCERTAINTIES

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

NOTE 11. ADMINISTRATIVE EXPENSES

The Plan pays administrative expenses to the trustees and other service providers of the Plan pursuant to Plan provisions. Plan expenses during the year ended December 31, 2011 consisted of:

Recordkeeping and plan administration fees	$	46,914
Investment advisory fees		20,000
Accounting fees		17,070
Legal fees		4,732
Other fees		2,096
	$	90,812

NOTE 12. DEPARTMENT OF LABOR LIMITED REVIEW AND DELINQUENT REMITTANCES

During 2012, the Department of Labor ("DOL") conducted a limited review of the Plan for the period January 2007 to December 2010. The purpose of the review was to determine the Plan's compliance with DOL and ERISA requirements including the DOL requirement that amounts withheld from participants be forwarded to the Plan as of the earliest date such withholdings (participant contributions and loan repayments) can reasonably be segregated from the Company's general assets. As a result of the review, the DOL stated that for the period under review, participant contributions and loan repayments totaling $784,753 could have been reasonably segregated and remitted to the Plan within three business days from the date amounts were withheld and that any amounts not forwarded within that timeframe were considered delinquent. As such, the Company remitted $404 in July 2012 to the Plan representing lost earnings on untimely participant contributions and loan repayments. Subsequently, in August 2012, the DOL concluded their review by issuing a no-action letter to the Company.

SUPPLEMENTAL SCHEDULES

FAIRFIELD 401(K) PLAN
(FORMERLY FAIRFIELD RESIDENTIAL L.L.C. 401(K) PLAN)

Attachment for Form 5500 – Schedule H, Part IV, Line 4a – Schedule of Delinquent Participant Contributions
As of December 31, 2011

EIN: 33-0775355
Plan Number: 001

Participant Contributions Transferred Late to the Plan			Total That Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program and Prohibited Transaction Exemption 2002-51
Check Here if Late Participant Loan Repayments Are Included ☑	Date Withheld	Date Remitted	Contributions Not Corrected	Contributions Corrected Outside Voluntary Fiduciary Correction Program	Contributions Pending Correction in Voluntary Fiduciary Correction Program	
$ 784,753	During plan years: 2008, 2009 & 2010	During plan years: 2008, 2009 & 2010	$ -	$ 784,753	$ -	$ -
$ 784,753			$ -	$ 784,753	$ -	$ -

See accompanying independent auditors' report.

FAIRFIELD 401(K) PLAN
(FORMERLY FAIRFIELD RESIDENTIAL L.L.C. 401(K) PLAN)

Attachment for Form 5500 – Schedule H, Part IV, Line 4i –
Schedule of Assets Held for Investment Purposes at End of Year **EIN: 33-0775355**
As of December 31, 2011 **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[1]	(e) Current value
	Mutual Funds:			
	American Funds	American EuroPacific Growth Fund R3	-	$ 4,884,783
	American Century	American Century Heritage A	-	1,794,848
	Dreyfus Corporation	Dreyfus Mid Cap Index Fund	-	1,664,289
	American Funds	American Fundamental Investment Fund R3	-	1,986,181
	Invesco Van Kampen Investments	Invesco Small Cap Growth Fund A	-	1,192,235
	Invesco Van Kampen Investments	Invesco Growth & Income Fund A	-	2,585,418
	JP Morgan Chase Co.	JPMorgan Large Cap Growth A	-	3,358,819
	Nuveen Investment Trust	Nuveen Real Estate Secs A	-	762,481
	Janus Capital Group, Inc.	Perkins Mid Cap Value Fund Class T	-	2,560,627
	Janus Capital Group, Inc.	Perkins Small Cap Value Fund Class T	-	1,744,593
	Pooled Separate Accounts:			
*	PIMCO, LLC	Core Plus Bond/PIMCO	-	4,241,579
*	Janus Capital Management, LLC	SA/Janus Balanced Strategy	-	145,892
	Unallocated Contract:			
*	Prudential	Guaranteed Income Fund	-	8,261,194
*	Participant Loans	Interest rate from 4.25% to 9.25%, varying maturity	- 0 -	1,665,801
		Total		$36,848,740

* Party-in-interest

(1) In accordance with Form 5500 instructions, cost information with respect to participant or beneficiary directed investments under an individual account plan may be omitted.

See accompanying independent auditors' report.

FAIRFIELD 401(K) PLAN

(FORMERLY FAIRFIELD RESIDENTIAL L.L.C. 401(K) PLAN)

**INDEPENDENT AUDITORS' REPORT,
FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULES**

December 31, 2011

FAIRFIELD 401(K) PLAN
(FORMERLY FAIRFIELD RESIDENTIAL L.L.C. 401(K) PLAN)

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INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of the
Fairfield 401(k) Plan
(formerly Fairfield Residential L.L.C. 401(k) Plan)
San Diego, California

We were engaged to audit the financial statements of the Fairfield 401(k) Plan (formerly Fairfield Residential L.L.C. 401(k) Plan) (the "Plan") as of December 31, 2011 and 2010, and for the year ended December 31, 2011, and the supplemental schedules as of December 31, 2011, as listed in the accompanying table of contents. These financial statements and supplemental schedules are the responsibility of the Plan's management.

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 8, which was certified by the respective trustees of the Plan, Prudential Bank & Trust, F.S.B. for 2011 and Wells Fargo & Company for 2010, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained certifications from the trustees as of December 31, 2011 and 2010, and for the year ended December 31, 2011, that the information provided to the Plan administrator by the trustees is complete and accurate.

As described in Note 2, these financial statements and supplemental schedules were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

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 schedules taken as a whole. The supplemental schedules are presented for the purposes of additional analysis and are not a required part of the financial statements, but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Lavine, Lofgren, Morris & Engelberg, LLP

October 3, 2012

FAIRFIELD 401(K) PLAN
(FORMERLY FAIRFIELD RESIDENTIAL L.L.C. 401(K) PLAN)

Statements of Net Assets Available for Benefits (Modified Cash Basis)
As of December 31, 2011 and 2010

	2011	2010
ASSETS		
Investments, at fair value:		
Cash	$ -	$ 17,011,762
Mutual funds	22,534,274	12,847,554
Pooled separate accounts	4,387,471	-
Common/collective trust funds	-	7,277,659
Guaranteed income fund - unallocated contract	8,261,194	-
Total investments	35,182,939	37,136,975
Notes receivable from participants	1,665,801	1,802,379
Total assets	36,848,740	38,939,354
LIABILITIES	-	-
Net assets reflecting investments at fair value	36,848,740	38,939,354
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	-	(156,357)
NET ASSETS AVAILABLE FOR BENEFITS	$ 36,848,740	$ 38,782,997

See accompanying notes to financial statements.

FAIRFIELD 401(K) PLAN
(FORMERLY FAIRFIELD RESIDENTIAL L.L.C. 401(K) PLAN)

Statement of Changes in Net Assets Available for Benefits (Modified Cash Basis)
For the Year Ended December 31, 2011

Additions to net assets attributed to:	
Contributions:	
Participants - current	$ 3,425,833
Participants - rollover	131,247
Employer	934,054
Total contributions	4,491,134
Interest income on notes receivable from participants	67,328
Total additions	4,558,462
Deductions from net assets attributed to:	
Benefits paid to participants	(5,241,114)
Deemed distributions on defaulted loans	(22,712)
Corrective distributions	(72,156)
Administrative expenses	(90,812)
	(5,426,794)
Investment income (loss):	
Net depreciation in fair value of mutual funds	(1,535,581)
Dividends from mutual funds	174,531
Net appreciation in contract value of common/collective trust funds	146,219
Net appreciation in the fair value of pooled separate accounts	90,522
Interest income from guaranteed income fund	19,011
Other income	39,373
Net investment loss	(1,065,925)
Total deductions	(6,492,719)
Net decrease	(1,934,257)
Net assets available for benefits:	
Beginning of year	38,782,997
End of year	$ 36,848,740

See accompanying notes to financial statements.

NOTE 1. DESCRIPTION OF PLAN

The Fairfield 401(k) Plan, formerly the Fairfield Residential L.L.C. 401(k) Plan (the "Plan"), is sponsored by FF Properties L.P. and related entities collectively referred to as the "Company." The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General and Transfer of Plan Assets

The Plan, which became effective on February 1, 1996, is a defined contribution plan covering all employees who are at least 21 years of age and who have been employed for 1 year in which they have completed at least 1,000 hours of service. The Plan excludes employees subject to collective bargaining agreements and any nonresident alien employees with no U.S. source income. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective January 3, 2011, the Plan changed its trustee, custodian and record keeper from Wells Fargo & Company ("Wells Fargo") to Prudential Bank & Trust, F.S.B. ("Prudential"). Additionally, the Plan agreement was restated and the Plan's name was changed to the Fairfield 401(k) Plan. In anticipation of these changes, on December 31, 2010, the Plan sold certain investments in the amount of $17,011,762 which is presented as cash in the accompanying financial statements. In January 2011, all Plan assets were transferred from Wells Fargo to Prudential.

Participant Contributions

The Plan allows eligible participants to make elective salary reduction contributions. Participant contributions include contributions by election of the employee to reduce the employee's compensation from 1% up to 100% of compensation, subject to limitations imposed by the Internal Revenue Code ("Code"). The Plan has automatic enrollment and automatic contribution features, such that newly eligible participants, except those who affirmatively elect not to participate or to have a specified amount contributed to the Plan, will automatically have 3% of their compensation deferred into the Plan. Effective January 1, 2010, the Plan automatically increases the deferral percentages by 1% for participants who were automatically enrolled in the Plan on or after January 1, 2009, in the amount of 1% and on each anniversary thereafter from the automatic enrollment date in 1% increments until the deferral percentage is at 10%. Participants may also contribute amounts representing distributions from other qualified sources.

Employer Contributions

The terms of the Plan allow the Company to make discretionary matching contributions equal to a specified percentage of a participant's compensation. For 2011, the discretionary matching contribution is equal to 50% of the participant's deferral contributions but no more than $5,000 during the Plan year.

NOTE 1. DESCRIPTION OF PLAN (Continued)

Vesting and Partial Plan Termination

Participants are immediately vested in their salary reduction and rollover contributions plus actual earnings thereon. Vesting in the remainder of their accounts is based upon years of service and dates of termination. Effective January 1, 2011, the Plan was amended to have one vesting schedule and removed the vesting schedule for participants terminated prior to January 1, 2002. The vesting schedule is 20% after 2 years of credited service and a 20% increment for each additional year of service until 100% vested after 6 years of credited service with credited service based on the participant's period of service (from hire date to termination date).

In addition, participants automatically become fully vested, regardless of the applicable vesting table, upon the attainment of their normal retirement age, upon disability, upon death, or upon termination of the Plan.

During 2008, 2009 and 2010 (the "Determination Period"), the Company had various lay-offs and other employer-initiated terminations. As a result, the Plan administrator determined, based on the number of terminated participants affected, that these terminations qualified as a partial plan termination. Under a partial plan termination, affected participants become fully vested in their accounts. Some participants had their account balances fully distributed to them or rolled over into qualified sources prior to this partial plan termination determination. Those participants who had forfeitures deducted from their distributions for the nonvested amount were deemed 100% vested in their account balances and will receive an additional distribution of the previously forfeited amounts, to the extent forfeiture reinstatement has not already occurred. Those participants who have not had their account balances distributed were deemed 100% vested in their account balances and will receive the full balance of their vested accounts.

In December 2009, the Plan reinstated to participants forfeited amounts totaling $365,269, that were determined to be fully vested due to the partial plan termination, representing amounts forfeited during 2008 and 2009. In November 2011, the Plan reinstated forfeited amounts totaling $109,008, that were determined to be fully vested due to the partial plan termination, representing amounts forfeited during 2010. The Plan continues to work on determining the effect the partial plan termination has on the affected participant accounts and their previously forfeited amounts, if any, and will reinstate additional forfeited amounts as necessary.

Forfeitures

Forfeitures of terminated participants' accounts are applied to unallocated asset accounts. Funds from such accounts are used to reinstate previously forfeited amounts, offset administrative expenses of the Plan and then, to the extent forfeitures remain, are used to reduce the Company's contribution to the Plan. During 2011, $493,891 was added to forfeitures from participant accounts for non-vested amounts, $574,505 was used to reduce the Company's 2011 Plan year matching contribution, and $34,891 was used to reduce Plan expenses. The forfeiture account had investment losses of $3,738 and $109,008 of the forfeitures was used to reinstate previously forfeited amounts. As of December 31, 2011 and 2010, the forfeiture balance was $249,518 and $477,769, respectively.

NOTE 1. DESCRIPTION OF PLAN (Continued)

Participant Accounts

Each participant's account is credited with the participant's contributions, the Company's contributions (if any), and an allocation of Plan earnings and losses. Allocations are calculated as of each valuation date in proportion to the value of participant's accounts on the preceding valuation date. As of each valuation date, appropriate adjustments are made for the allocation of contributions, withdrawals, and distributions since the preceding valuation date. Upon enrollment in the Plan, a participant may direct contributions and earning allocations in any of the Plan's investment options. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Notes Receivable from Participants

Participants may borrow against their accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested interest in their account balances. Loans are required to be repaid within 5 years unless the loan is used to acquire a principal residence, for which the repayment period is up to 10 years. The loans are secured by half of the participant's vested interests in his/her account balance. The loans bear interest at rates determined by the Plan administrator. The interest rates on loans as of December 31, 2010 ranged from 4.25% to 9.25%. Principal and interest are paid regularly through payroll deductions.

Benefits

Upon death, termination, retirement, attaining age 59½, and/or hardship, participants may elect to receive a distribution of their account in lump sum, or defer distribution if the account exceeds $1,000. Initial distributions must begin no later than the year after the participant attains the age of 70½.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan maintains its books and financial records using the modified cash basis of accounting, which is a comprehensive basis of accounting other than the generally accepted accounting principles in the United States of America. Under this method, contributions and revenues are recognized when received, rather than when earned, and expenses and excess contributions are recorded when paid, not when incurred.

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. The statements of net assets available for benefits present the fair value, as reported to the Plan by the trustees, of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Valuation and Income Recognition

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

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

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Notes Receivable from Participants

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

Payment of Benefits

Benefits are recorded when paid.

Subsequent Events

The Plan has evaluated subsequent events through the date of the independent auditors' report, which is the date the financial statements were available to be issued (see Note 12).

NOTE 3. INVESTMENTS

The Plan's investments were held by the trustees of the Plan as of December 31, 2011 and 2010. All investments are participant directed. The following investments represent 5% or more of the Plan's net assets as of December 31:

	2011	2010
Cash	*	$ 17,011,762
Mutual Funds:		
American EuroPacific Growth Fund R3	4,884,783	3,141,963
JPMorgan Large Cap Growth A	3,358,819	*
Invesco Growth & Income Fund A	2,585,418	*
Perkins Mid Cap Value Fund Class T	2,560,627	2,445,045
American Fundamental Investment Fund R3	1,986,181	*
American - The Growth Fund	*	2,098,361
Dreyfus Mid Cap Index Fund	*	2,016,866
Pooled Separate Accounts:		
Core Plus Bond/PIMCO	4,241,579	*
Unallocated Contract:		
Guaranteed Income Fund	8,261,194	*
Common/Collective Trust Fund:		
Wells Fargo Stable Return Fund	*	7,277,659
	27,878,601	33,991,656
All other investments representing less than 5% of Plan's net assets	7,304,338	3,145,319
Total investments at fair value	$ 35,182,939	$ 37,136,975

*Investment is less than 5% of the Plan assets, or is not an investment option as of date indicated.

NOTE 4. FAIR VALUE MEASUREMENTS

The framework for measuring fair value is provided by Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs are unadjusted, quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs are either directly or indirectly observable for the asset or liability through correlation with related market data at the measurement date and for the duration of the instrument's anticipated life.

Level 3 – Inputs are both unobservable and significant to the overall fair value measurement for the asset or liabilities at the measurement date. These inputs reflect Plan management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for investments measured at fair value at December 31, 2011 and 2010:

Mutual funds: Valued at the net asset value of shares held by the Plan.

Pooled separate accounts: Valued at the net asset value of shares held by the Plan.

Common/collective trust funds: Valued at the present value of the expected cash flows for traditional insurance contracts and at the aggregate market value of the underlying investments for the alternative investment contracts (based primarily on quoted market prices).

Guaranteed income fund: Valued at the aggregate market value of the underlying investments for the alternative investment contracts (based primarily on quoted market prices).

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

NOTE 4. FAIR VALUE MEASUREMENTS (Continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2011 and 2010:

	December 31, 2011			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Foreign Large Blend	$ 4,884,783	$ -	$ -	$ 4,884,783
Large Growth	3,358,819	-	-	3,358,819
Large Value	2,585,418	-	-	2,585,418
Mid-Cap Value	2,560,627	-	-	2,560,627
Large Blend	1,986,181	-	-	1,986,181
Mid-Cap Growth	1,794,848	-	-	1,794,848
Small-Cap Value	1,744,593	-	-	1,744,593
Mid-Cap Blend	1,664,289	-	-	1,664,289
Small-Cap Growth	1,192,235	-	-	1,192,235
Real Estate	762,481	-	-	762,481
Pooled Separate Accounts:				
Fixed Income - Domestic	-	4,241,579	-	4,241,579
Balanced - Growth	-	145,892	-	145,892
Unallocated Contract:				
Stable Value	-	8,261,194	-	8,261,194
Total investments at fair value	$ 22,534,274	$ 12,648,665	$ -	$ 35,182,939

	December 31, 2010			
	Level 1	Level 2	Level 3	Total
Cash	$ 17,011,762	$ -	$ -	$ 17,011,762
Mutual Funds:				
Foreign Large Blend	3,141,963	-	-	3,141,963
Large Growth	2,098,361	-	-	2,098,361
Large Value	901,463	-	-	901,463
Mid-Cap Value	2,445,045	-	-	2,445,045
Mid-Cap Growth	1,519,135	-	-	1,519,135
Mid-Cap Blend	2,016,866	-	-	2,016,866
Small Growth	724,721	-	-	724,721
Common/Collective Trust Fund	-	7,277,659	-	7,277,659
Total investments at fair value	$ 29,859,316	$ 7,277,659	$ -	$ 37,136,975

NOTE 5. GUARANTEED ANNUITY INSURANCE CONTRACT WITH PRUDENTIAL

Effective January 2011, the Plan entered into a benefit-responsive group annuity insurance contract (Guaranteed Income Fund) with Prudential Retirement Insurance and Annuity Company ("Prudential Insurance"). Prudential Insurance maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed insurance contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed insurance contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. The guaranteed insurance contract is presented on the face of the statement of net assets available for benefits at fair value with no adjustment to contract value in arriving at net assets available for benefits. The Plan owns a promise to pay interest at crediting rates which are announced in advance and guaranteed for a specified period of time as outlined in the group annuity contract. This product is not a traditional guaranteed investment contract and therefore there are not any known cashflows that could be discounted. As a result, the fair value amount shown is equal to the contract value.

Contract value, as reported to the Plan by Prudential Insurance, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

Interest is credited on contract balances using a single "portfolio rate" approach. Under this methodology, a single interest crediting rate is applied to all contributions made to the product regardless of the timing of those contributions. Interest crediting rates are reviewed on a semi-annual basis for resetting. When establishing interest crediting rates for this product, Prudential Insurance considers many factors, including current economic and market conditions, the general interest rate environment and both the expected and actual experience of a reference portfolio within the issuer's general account. These rates are established without the use of a specific formula. The minimum crediting rate under the contract is 1.50%.

During year ending December 31, 2011, the average yield earned by the Plan and average yield credited to participants was 2.8%

Generally there are not any events that could limit the ability of the Plan to transact at contract value paid within 90 days or in rare circumstances, contract value paid over time. There are not any events that allow the issuer to terminate the contract and which require the plan sponsor to settle at an amount different than contract value paid either within 90 days or over time.

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. TAX STATUS

The Plan is a qualified prototype plan under Section 401 of the Code. The prototype plan qualification applies only to plans which adopt the standardized plan provided all the terms of the Plan are followed, and the eligibility requirements and contribution or benefit provisions are not more favorable for highly compensated employees than for other employees. The Plan has been amended since the original prototype plan was established; however, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the accompanying financial statements.

The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no tax audits in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

NOTE 8. SUMMARY OF INFORMATION CERTIFIED BY THE TRUSTEES

All investment information disclosed in the accompanying financial statements and supplemental schedule (Schedule H, Part IV, Line 4i), including investments held at December 31, 2011 and 2010, and net deprecation/appreciation in fair value of investments, dividends, interest income and expenses for the year ended December 31, 2011, were obtained or derived from information provided to the Plan administrator and certified as complete and accurate by the respective trustees of the Plan.

NOTE 9. RELATED PARTY TRANSACTIONS

The Company provides certain administrative services for the Plan at no cost to the Plan. Additionally, some of the funds are managed by the trustees of the Plan, Prudential during 2011 and Wells Fargo during 2010, which earn a fee for their services (see Note 11).

These transactions qualify as party-in-interest transactions.

NOTE 10. RISKS AND UNCERTAINTIES

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

NOTE 11. ADMINISTRATIVE EXPENSES

The Plan pays administrative expenses to the trustees and other service providers of the Plan pursuant to Plan provisions. Plan expenses during the year ended December 31, 2011 consisted of:

Recordkeeping and plan administration fees	$	46,914
Investment advisory fees		20,000
Accounting fees		17,070
Legal fees		4,732
Other fees		2,096
	$	90,812

NOTE 12. DEPARTMENT OF LABOR LIMITED REVIEW AND DELINQUENT REMITTANCES

During 2012, the Department of Labor ("DOL") conducted a limited review of the Plan for the period January 2007 to December 2010. The purpose of the review was to determine the Plan's compliance with DOL and ERISA requirements including the DOL requirement that amounts withheld from participants be forwarded to the Plan as of the earliest date such withholdings (participant contributions and loan repayments) can reasonably be segregated from the Company's general assets. As a result of the review, the DOL stated that for the period under review, participant contributions and loan repayments totaling $784,753 could have been reasonably segregated and remitted to the Plan within three business days from the date amounts were withheld and that any amounts not forwarded within that timeframe were considered delinquent. As such, the Company remitted $404 in July 2012 to the Plan representing lost earnings on untimely participant contributions and loan repayments. Subsequently, in August 2012, the DOL concluded their review by issuing a no-action letter to the Company.

SUPPLEMENTAL SCHEDULES

FAIRFIELD 401(K) PLAN
(FORMERLY FAIRFIELD RESIDENTIAL L.L.C. 401(K) PLAN)

Attachment for Form 5500 – Schedule H, Part IV, Line 4a – Schedule of Delinquent Participant Contributions
As of December 31, 2011

EIN: 33-0775355
Plan Number: 001

Participant Contributions Transferred Late to the Plan			Total That Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program and Prohibited Transaction Exemption 2002-51
Check Here if Late Participant Loan Repayments Are Included ☑	Date Withheld	Date Remitted	Contributions Not Corrected	Contributions Corrected Outside Voluntary Fiduciary Correction Program	Contributions Pending Correction in Voluntary Fiduciary Correction Program	
$ 784,753	During plan years: 2008, 2009 & 2010	During plan years: 2008, 2009 & 2010	$ -	$ 784,753	$ -	$ -
$ 784,753			$ -	$ 784,753	$ -	$ -

See accompanying independent auditors' report.

FAIRFIELD 401(K) PLAN
(FORMERLY FAIRFIELD RESIDENTIAL L.L.C. 401(K) PLAN)

Attachment for Form 5500 – Schedule H, Part IV, Line 4i –
Schedule of Assets Held for Investment Purposes at End of Year **EIN: 33-0775355**
As of December 31, 2011 **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[1]	(e) Current value
	Mutual Funds:			
	American Funds	American EuroPacific Growth Fund R3	-	$ 4,884,783
	American Century	American Century Heritage A	-	1,794,848
	Dreyfus Corporation	Dreyfus Mid Cap Index Fund	-	1,664,289
	American Funds	American Fundamental Investment Fund R3	-	1,986,181
	Invesco Van Kampen Investments	Invesco Small Cap Growth Fund A	-	1,192,235
	Invesco Van Kampen Investments	Invesco Growth & Income Fund A	-	2,585,418
	JP Morgan Chase Co.	JPMorgan Large Cap Growth A	-	3,358,819
	Nuveen Investment Trust	Nuveen Real Estate Secs A	-	762,481
	Janus Capital Group, Inc.	Perkins Mid Cap Value Fund Class T	-	2,560,627
	Janus Capital Group, Inc.	Perkins Small Cap Value Fund Class T	-	1,744,593
	Pooled Separate Accounts:			
*	PIMCO, LLC	Core Plus Bond/PIMCO	-	4,241,579
*	Janus Capital Management, LLC	SA/Janus Balanced Strategy	-	145,892
	Unallocated Contract:			
*	Prudential	Guaranteed Income Fund	-	8,261,194
*	Participant Loans	Interest rate from 4.25% to 9.25%, varying maturity	- 0 -	1,665,801
		Total		$36,848,740

* Party-in-interest

(1) In accordance with Form 5500 instructions, cost information with respect to participant or beneficiary directed investments under an individual account plan may be omitted.

See accompanying independent auditors' report.

FAIRFIELD 401(K) PLAN

(FORMERLY FAIRFIELD RESIDENTIAL L.L.C. 401(K) PLAN)

**INDEPENDENT AUDITORS' REPORT,
FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULES**

December 31, 2011

FAIRFIELD 401(K) PLAN
(FORMERLY FAIRFIELD RESIDENTIAL L.L.C. 401(K) PLAN)

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INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of the
Fairfield 401(k) Plan
(formerly Fairfield Residential L.L.C. 401(k) Plan)
San Diego, California

We were engaged to audit the financial statements of the Fairfield 401(k) Plan (formerly Fairfield Residential L.L.C. 401(k) Plan) (the "Plan") as of December 31, 2011 and 2010, and for the year ended December 31, 2011, and the supplemental schedules as of December 31, 2011, as listed in the accompanying table of contents. These financial statements and supplemental schedules are the responsibility of the Plan's management.

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 8, which was certified by the respective trustees of the Plan, Prudential Bank & Trust, F.S.B. for 2011 and Wells Fargo & Company for 2010, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained certifications from the trustees as of December 31, 2011 and 2010, and for the year ended December 31, 2011, that the information provided to the Plan administrator by the trustees is complete and accurate.

As described in Note 2, these financial statements and supplemental schedules were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

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 schedules taken as a whole. The supplemental schedules are presented for the purposes of additional analysis and are not a required part of the financial statements, but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Lavine, Lofgren, Morris & Engelberg, LLP

October 3, 2012

FAIRFIELD 401(K) PLAN
(FORMERLY FAIRFIELD RESIDENTIAL L.L.C. 401(K) PLAN)

Statements of Net Assets Available for Benefits (Modified Cash Basis)
As of December 31, 2011 and 2010

	2011	2010
ASSETS		
Investments, at fair value:		
Cash	$ -	$ 17,011,762
Mutual funds	22,534,274	12,847,554
Pooled separate accounts	4,387,471	-
Common/collective trust funds	-	7,277,659
Guaranteed income fund - unallocated contract	8,261,194	-
Total investments	35,182,939	37,136,975
Notes receivable from participants	1,665,801	1,802,379
Total assets	36,848,740	38,939,354
LIABILITIES	-	-
Net assets reflecting investments at fair value	36,848,740	38,939,354
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	-	(156,357)
NET ASSETS AVAILABLE FOR BENEFITS	$ 36,848,740	$ 38,782,997

See accompanying notes to financial statements.

FAIRFIELD 401(K) PLAN
(FORMERLY FAIRFIELD RESIDENTIAL L.L.C. 401(K) PLAN)

Statement of Changes in Net Assets Available for Benefits (Modified Cash Basis)
For the Year Ended December 31, 2011

Additions to net assets attributed to:	
Contributions:	
Participants - current	$ 3,425,833
Participants - rollover	131,247
Employer	934,054
Total contributions	4,491,134
Interest income on notes receivable from participants	67,328
Total additions	4,558,462
Deductions from net assets attributed to:	
Benefits paid to participants	(5,241,114)
Deemed distributions on defaulted loans	(22,712)
Corrective distributions	(72,156)
Administrative expenses	(90,812)
	(5,426,794)
Investment income (loss):	
Net depreciation in fair value of mutual funds	(1,535,581)
Dividends from mutual funds	174,531
Net appreciation in contract value of common/collective trust funds	146,219
Net appreciation in the fair value of pooled separate accounts	90,522
Interest income from guaranteed income fund	19,011
Other income	39,373
Net investment loss	(1,065,925)
Total deductions	(6,492,719)
Net decrease	(1,934,257)
Net assets available for benefits:	
Beginning of year	38,782,997
End of year	$ 36,848,740

See accompanying notes to financial statements.

NOTE 1. DESCRIPTION OF PLAN

The Fairfield 401(k) Plan, formerly the Fairfield Residential L.L.C. 401(k) Plan (the "Plan"), is sponsored by FF Properties L.P. and related entities collectively referred to as the "Company." The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General and Transfer of Plan Assets

The Plan, which became effective on February 1, 1996, is a defined contribution plan covering all employees who are at least 21 years of age and who have been employed for 1 year in which they have completed at least 1,000 hours of service. The Plan excludes employees subject to collective bargaining agreements and any nonresident alien employees with no U.S. source income. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective January 3, 2011, the Plan changed its trustee, custodian and record keeper from Wells Fargo & Company ("Wells Fargo") to Prudential Bank & Trust, F.S.B. ("Prudential"). Additionally, the Plan agreement was restated and the Plan's name was changed to the Fairfield 401(k) Plan. In anticipation of these changes, on December 31, 2010, the Plan sold certain investments in the amount of $17,011,762 which is presented as cash in the accompanying financial statements. In January 2011, all Plan assets were transferred from Wells Fargo to Prudential.

Participant Contributions

The Plan allows eligible participants to make elective salary reduction contributions. Participant contributions include contributions by election of the employee to reduce the employee's compensation from 1% up to 100% of compensation, subject to limitations imposed by the Internal Revenue Code ("Code"). The Plan has automatic enrollment and automatic contribution features, such that newly eligible participants, except those who affirmatively elect not to participate or to have a specified amount contributed to the Plan, will automatically have 3% of their compensation deferred into the Plan. Effective January 1, 2010, the Plan automatically increases the deferral percentages by 1% for participants who were automatically enrolled in the Plan on or after January 1, 2009, in the amount of 1% and on each anniversary thereafter from the automatic enrollment date in 1% increments until the deferral percentage is at 10%. Participants may also contribute amounts representing distributions from other qualified sources.

Employer Contributions

The terms of the Plan allow the Company to make discretionary matching contributions equal to a specified percentage of a participant's compensation. For 2011, the discretionary matching contribution is equal to 50% of the participant's deferral contributions but no more than $5,000 during the Plan year.

NOTE 1. DESCRIPTION OF PLAN (Continued)

Vesting and Partial Plan Termination

Participants are immediately vested in their salary reduction and rollover contributions plus actual earnings thereon. Vesting in the remainder of their accounts is based upon years of service and dates of termination. Effective January 1, 2011, the Plan was amended to have one vesting schedule and removed the vesting schedule for participants terminated prior to January 1, 2002. The vesting schedule is 20% after 2 years of credited service and a 20% increment for each additional year of service until 100% vested after 6 years of credited service with credited service based on the participant's period of service (from hire date to termination date).

In addition, participants automatically become fully vested, regardless of the applicable vesting table, upon the attainment of their normal retirement age, upon disability, upon death, or upon termination of the Plan.

During 2008, 2009 and 2010 (the "Determination Period"), the Company had various lay-offs and other employer-initiated terminations. As a result, the Plan administrator determined, based on the number of terminated participants affected, that these terminations qualified as a partial plan termination. Under a partial plan termination, affected participants become fully vested in their accounts. Some participants had their account balances fully distributed to them or rolled over into qualified sources prior to this partial plan termination determination. Those participants who had forfeitures deducted from their distributions for the nonvested amount were deemed 100% vested in their account balances and will receive an additional distribution of the previously forfeited amounts, to the extent forfeiture reinstatement has not already occurred. Those participants who have not had their account balances distributed were deemed 100% vested in their account balances and will receive the full balance of their vested accounts.

In December 2009, the Plan reinstated to participants forfeited amounts totaling $365,269, that were determined to be fully vested due to the partial plan termination, representing amounts forfeited during 2008 and 2009. In November 2011, the Plan reinstated forfeited amounts totaling $109,008, that were determined to be fully vested due to the partial plan termination, representing amounts forfeited during 2010. The Plan continues to work on determining the effect the partial plan termination has on the affected participant accounts and their previously forfeited amounts, if any, and will reinstate additional forfeited amounts as necessary.

Forfeitures

Forfeitures of terminated participants' accounts are applied to unallocated asset accounts. Funds from such accounts are used to reinstate previously forfeited amounts, offset administrative expenses of the Plan and then, to the extent forfeitures remain, are used to reduce the Company's contribution to the Plan. During 2011, $493,891 was added to forfeitures from participant accounts for non-vested amounts, $574,505 was used to reduce the Company's 2011 Plan year matching contribution, and $34,891 was used to reduce Plan expenses. The forfeiture account had investment losses of $3,738 and $109,008 of the forfeitures was used to reinstate previously forfeited amounts. As of December 31, 2011 and 2010, the forfeiture balance was $249,518 and $477,769, respectively.

NOTE 1. DESCRIPTION OF PLAN (Continued)

Participant Accounts

Each participant's account is credited with the participant's contributions, the Company's contributions (if any), and an allocation of Plan earnings and losses. Allocations are calculated as of each valuation date in proportion to the value of participant's accounts on the preceding valuation date. As of each valuation date, appropriate adjustments are made for the allocation of contributions, withdrawals, and distributions since the preceding valuation date. Upon enrollment in the Plan, a participant may direct contributions and earning allocations in any of the Plan's investment options. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Notes Receivable from Participants

Participants may borrow against their accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested interest in their account balances. Loans are required to be repaid within 5 years unless the loan is used to acquire a principal residence, for which the repayment period is up to 10 years. The loans are secured by half of the participant's vested interests in his/her account balance. The loans bear interest at rates determined by the Plan administrator. The interest rates on loans as of December 31, 2010 ranged from 4.25% to 9.25%. Principal and interest are paid regularly through payroll deductions.

Benefits

Upon death, termination, retirement, attaining age 59½, and/or hardship, participants may elect to receive a distribution of their account in lump sum, or defer distribution if the account exceeds $1,000. Initial distributions must begin no later than the year after the participant attains the age of 70½.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan maintains its books and financial records using the modified cash basis of accounting, which is a comprehensive basis of accounting other than the generally accepted accounting principles in the United States of America. Under this method, contributions and revenues are recognized when received, rather than when earned, and expenses and excess contributions are recorded when paid, not when incurred.

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. The statements of net assets available for benefits present the fair value, as reported to the Plan by the trustees, of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Valuation and Income Recognition

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

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

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Notes Receivable from Participants

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

Payment of Benefits

Benefits are recorded when paid.

Subsequent Events

The Plan has evaluated subsequent events through the date of the independent auditors' report, which is the date the financial statements were available to be issued (see Note 12).

NOTE 3. INVESTMENTS

The Plan's investments were held by the trustees of the Plan as of December 31, 2011 and 2010. All investments are participant directed. The following investments represent 5% or more of the Plan's net assets as of December 31:

	2011	2010
Cash	*	$ 17,011,762
Mutual Funds:		
American EuroPacific Growth Fund R3	4,884,783	3,141,963
JPMorgan Large Cap Growth A	3,358,819	*
Invesco Growth & Income Fund A	2,585,418	*
Perkins Mid Cap Value Fund Class T	2,560,627	2,445,045
American Fundamental Investment Fund R3	1,986,181	*
American - The Growth Fund	*	2,098,361
Dreyfus Mid Cap Index Fund	*	2,016,866
Pooled Separate Accounts:		
Core Plus Bond/PIMCO	4,241,579	*
Unallocated Contract:		
Guaranteed Income Fund	8,261,194	*
Common/Collective Trust Fund:		
Wells Fargo Stable Return Fund	*	7,277,659
	27,878,601	33,991,656
All other investments representing less than 5% of Plan's net assets	7,304,338	3,145,319
Total investments at fair value	$ 35,182,939	$ 37,136,975

*Investment is less than 5% of the Plan assets, or is not an investment option as of date indicated.

NOTE 4. FAIR VALUE MEASUREMENTS

The framework for measuring fair value is provided by Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs are unadjusted, quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs are either directly or indirectly observable for the asset or liability through correlation with related market data at the measurement date and for the duration of the instrument's anticipated life.

Level 3 – Inputs are both unobservable and significant to the overall fair value measurement for the asset or liabilities at the measurement date. These inputs reflect Plan management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for investments measured at fair value at December 31, 2011 and 2010:

Mutual funds: Valued at the net asset value of shares held by the Plan.

Pooled separate accounts: Valued at the net asset value of shares held by the Plan.

Common/collective trust funds: Valued at the present value of the expected cash flows for traditional insurance contracts and at the aggregate market value of the underlying investments for the alternative investment contracts (based primarily on quoted market prices).

Guaranteed income fund: Valued at the aggregate market value of the underlying investments for the alternative investment contracts (based primarily on quoted market prices).

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

NOTE 4. FAIR VALUE MEASUREMENTS (Continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2011 and 2010:

	December 31, 2011			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Foreign Large Blend	$ 4,884,783	$ -	$ -	$ 4,884,783
Large Growth	3,358,819	-	-	3,358,819
Large Value	2,585,418	-	-	2,585,418
Mid-Cap Value	2,560,627	-	-	2,560,627
Large Blend	1,986,181	-	-	1,986,181
Mid-Cap Growth	1,794,848	-	-	1,794,848
Small-Cap Value	1,744,593	-	-	1,744,593
Mid-Cap Blend	1,664,289	-	-	1,664,289
Small-Cap Growth	1,192,235	-	-	1,192,235
Real Estate	762,481	-	-	762,481
Pooled Separate Accounts:				
Fixed Income - Domestic	-	4,241,579	-	4,241,579
Balanced - Growth	-	145,892	-	145,892
Unallocated Contract:				
Stable Value	-	8,261,194	-	8,261,194
Total investments at fair value	$ 22,534,274	$ 12,648,665	$ -	$ 35,182,939

	December 31, 2010			
	Level 1	Level 2	Level 3	Total
Cash	$ 17,011,762	$ -	$ -	$ 17,011,762
Mutual Funds:				
Foreign Large Blend	3,141,963	-	-	3,141,963
Large Growth	2,098,361	-	-	2,098,361
Large Value	901,463	-	-	901,463
Mid-Cap Value	2,445,045	-	-	2,445,045
Mid-Cap Growth	1,519,135	-	-	1,519,135
Mid-Cap Blend	2,016,866	-	-	2,016,866
Small Growth	724,721	-	-	724,721
Common/Collective Trust Fund	-	7,277,659	-	7,277,659
Total investments at fair value	$ 29,859,316	$ 7,277,659	$ -	$ 37,136,975

NOTE 5. GUARANTEED ANNUITY INSURANCE CONTRACT WITH PRUDENTIAL

Effective January 2011, the Plan entered into a benefit-responsive group annuity insurance contract (Guaranteed Income Fund) with Prudential Retirement Insurance and Annuity Company ("Prudential Insurance"). Prudential Insurance maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed insurance contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed insurance contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. The guaranteed insurance contract is presented on the face of the statement of net assets available for benefits at fair value with no adjustment to contract value in arriving at net assets available for benefits. The Plan owns a promise to pay interest at crediting rates which are announced in advance and guaranteed for a specified period of time as outlined in the group annuity contract. This product is not a traditional guaranteed investment contract and therefore there are not any known cashflows that could be discounted. As a result, the fair value amount shown is equal to the contract value.

Contract value, as reported to the Plan by Prudential Insurance, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

Interest is credited on contract balances using a single "portfolio rate" approach. Under this methodology, a single interest crediting rate is applied to all contributions made to the product regardless of the timing of those contributions. Interest crediting rates are reviewed on a semi-annual basis for resetting. When establishing interest crediting rates for this product, Prudential Insurance considers many factors, including current economic and market conditions, the general interest rate environment and both the expected and actual experience of a reference portfolio within the issuer's general account. These rates are established without the use of a specific formula. The minimum crediting rate under the contract is 1.50%.

During year ending December 31, 2011, the average yield earned by the Plan and average yield credited to participants was 2.8%

Generally there are not any events that could limit the ability of the Plan to transact at contract value paid within 90 days or in rare circumstances, contract value paid over time. There are not any events that allow the issuer to terminate the contract and which require the plan sponsor to settle at an amount different than contract value paid either within 90 days or over time.

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. TAX STATUS

The Plan is a qualified prototype plan under Section 401 of the Code. The prototype plan qualification applies only to plans which adopt the standardized plan provided all the terms of the Plan are followed, and the eligibility requirements and contribution or benefit provisions are not more favorable for highly compensated employees than for other employees. The Plan has been amended since the original prototype plan was established; however, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the accompanying financial statements.

The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no tax audits in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

NOTE 8. SUMMARY OF INFORMATION CERTIFIED BY THE TRUSTEES

All investment information disclosed in the accompanying financial statements and supplemental schedule (Schedule H, Part IV, Line 4i), including investments held at December 31, 2011 and 2010, and net deprecation/appreciation in fair value of investments, dividends, interest income and expenses for the year ended December 31, 2011, were obtained or derived from information provided to the Plan administrator and certified as complete and accurate by the respective trustees of the Plan.

NOTE 9. RELATED PARTY TRANSACTIONS

The Company provides certain administrative services for the Plan at no cost to the Plan. Additionally, some of the funds are managed by the trustees of the Plan, Prudential during 2011 and Wells Fargo during 2010, which earn a fee for their services (see Note 11).

These transactions qualify as party-in-interest transactions.

NOTE 10. RISKS AND UNCERTAINTIES

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

NOTE 11. ADMINISTRATIVE EXPENSES

The Plan pays administrative expenses to the trustees and other service providers of the Plan pursuant to Plan provisions. Plan expenses during the year ended December 31, 2011 consisted of:

Recordkeeping and plan administration fees	$	46,914
Investment advisory fees		20,000
Accounting fees		17,070
Legal fees		4,732
Other fees		2,096
	$	90,812

NOTE 12. DEPARTMENT OF LABOR LIMITED REVIEW AND DELINQUENT REMITTANCES

During 2012, the Department of Labor ("DOL") conducted a limited review of the Plan for the period January 2007 to December 2010. The purpose of the review was to determine the Plan's compliance with DOL and ERISA requirements including the DOL requirement that amounts withheld from participants be forwarded to the Plan as of the earliest date such withholdings (participant contributions and loan repayments) can reasonably be segregated from the Company's general assets. As a result of the review, the DOL stated that for the period under review, participant contributions and loan repayments totaling $784,753 could have been reasonably segregated and remitted to the Plan within three business days from the date amounts were withheld and that any amounts not forwarded within that timeframe were considered delinquent. As such, the Company remitted $404 in July 2012 to the Plan representing lost earnings on untimely participant contributions and loan repayments. Subsequently, in August 2012, the DOL concluded their review by issuing a no-action letter to the Company.

SUPPLEMENTAL SCHEDULES

FAIRFIELD 401(K) PLAN
(FORMERLY FAIRFIELD RESIDENTIAL L.L.C. 401(K) PLAN)

Attachment for Form 5500 – Schedule H, Part IV, Line 4a – Schedule of Delinquent Participant Contributions
As of December 31, 2011

EIN: 33-0775355
Plan Number: 001

Participant Contributions Transferred Late to the Plan			Total That Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program and Prohibited Transaction Exemption 2002-51
Check Here if Late Participant Loan Repayments Are Included ☑	Date Withheld	Date Remitted	Contributions Not Corrected	Contributions Corrected Outside Voluntary Fiduciary Correction Program	Contributions Pending Correction in Voluntary Fiduciary Correction Program	
$ 784,753	During plan years: 2008, 2009 & 2010	During plan years: 2008, 2009 & 2010	$ -	$ 784,753	$ -	$ -
$ 784,753			$ -	$ 784,753	$ -	$ -

See accompanying independent auditors' report.

FAIRFIELD 401(K) PLAN
(FORMERLY FAIRFIELD RESIDENTIAL L.L.C. 401(K) PLAN)

Attachment for Form 5500 – Schedule H, Part IV, Line 4i –
Schedule of Assets Held for Investment Purposes at End of Year **EIN: 33-0775355**
As of December 31, 2011 **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[1]	(e) Current value
	Mutual Funds:			
	American Funds	American EuroPacific Growth Fund R3	-	$ 4,884,783
	American Century	American Century Heritage A	-	1,794,848
	Dreyfus Corporation	Dreyfus Mid Cap Index Fund	-	1,664,289
	American Funds	American Fundamental Investment Fund R3	-	1,986,181
	Invesco Van Kampen Investments	Invesco Small Cap Growth Fund A	-	1,192,235
	Invesco Van Kampen Investments	Invesco Growth & Income Fund A	-	2,585,418
	JP Morgan Chase Co.	JPMorgan Large Cap Growth A	-	3,358,819
	Nuveen Investment Trust	Nuveen Real Estate Secs A	-	762,481
	Janus Capital Group, Inc.	Perkins Mid Cap Value Fund Class T	-	2,560,627
	Janus Capital Group, Inc.	Perkins Small Cap Value Fund Class T	-	1,744,593
	Pooled Separate Accounts:			
*	PIMCO, LLC	Core Plus Bond/PIMCO	-	4,241,579
*	Janus Capital Management, LLC	SA/Janus Balanced Strategy	-	145,892
	Unallocated Contract:			
*	Prudential	Guaranteed Income Fund	-	8,261,194
*	Participant Loans	Interest rate from 4.25% to 9.25%, varying maturity	- 0 -	1,665,801
		Total		$36,848,740

* Party-in-interest

(1) In accordance with Form 5500 instructions, cost information with respect to participant or beneficiary directed investments under an individual account plan may be omitted.

See accompanying independent auditors' report.