

BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC.
Form N-CSR
October 07, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES**

Investment Company Act file number 811-08573

Name of Fund: BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock
MuniHoldings California Quality Fund, Inc., 55 East 52nd Street, New York, NY 10055

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 07/31/2011

Date of reporting period: 07/31/2011

Item 1 Report to Stockholders

Annual Report

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

BlackRock MuniHoldings New Jersey Quality Fund, Inc. (MUJ)

BlackRock MuniYield Investment Quality Fund (MFT)

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

BlackRock MuniYield New Jersey Quality Fund, Inc. (MJI)

BlackRock MuniYield Pennsylvania Quality Fund (MPA)

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Dear Shareholder

Financial markets have been extremely volatile in the wake of the Standard & Poor's downgrade of US Treasury debt. While the August 5 announcement was the catalyst for the market turmoil, weaker-than-expected economic data and Europe's deepening financial crisis further compounded investor uncertainty as the future direction of the global economy became increasingly questionable. Although markets remain highly volatile and conditions are highly uncertain, BlackRock remains focused on finding opportunities in this environment.

The pages that follow reflect your mutual fund's reporting period ended July 31, 2011. Accordingly, the below discussion is intended to provide you with additional perspective on the performance of your investments during that period.

During the summer of 2010, investors were in "risk-off" mode as the global economy was sputtering and the sovereign debt crisis was spreading across Europe. But markets were revived toward the end of the summer on positive economic news and robust corporate earnings. The global economy had finally gained traction and fear turned to optimism with the anticipation of a second round of quantitative easing ("QE2") from the US Federal Reserve (the "Fed"). Stock markets rallied even though the European debt crisis continued and inflationary pressures loomed over emerging markets. Fixed income markets, however, saw yields move sharply upward (pushing prices down) especially on the long end of the historically steep yield curve. While high yield bonds benefited from the risk rally, most fixed income sectors declined in the fourth quarter. The tax-exempt municipal market faced additional headwinds as it became evident that the Build America Bond program would not be extended and municipal finance troubles abounded.

The new year brought spikes of volatility as political turmoil swept across the Middle East/North Africa region and as prices of oil and other commodities soared. Natural disasters in Japan disrupted industrial supply chains and concerns mounted over US debt and deficit issues. Equities quickly rebounded as investors chose to focus on the continuing stream of strong corporate earnings and positive economic data. Credit markets were surprisingly resilient in this environment and yields regained relative stability in 2011. The tax-exempt market saw relief from its headwinds and steadily recovered from its fourth-quarter lows. Equities, commodities and high yield bonds outpaced higher-quality assets as investors increased their risk tolerance.

However, longer-term headwinds had been brewing. Inflationary pressures intensified in emerging economies, many of which were overheating, and the European debt crisis continued to escalate. Markets were met with a sharp reversal in May when political unrest in Greece pushed the nation closer to defaulting on its debt. This development rekindled fears about the broader debt crisis and its further contagion among peripheral European countries. Concurrently, it became evident that the pace of global economic growth had slowed. Higher oil prices and supply chain disruptions finally showed up in economic data. In the final month of the reporting period, the prolonged debt ceiling debate in Washington, DC led to a loss of confidence in policymakers. Stocks generally declined from May through the end of the period, but 6- and 12-month returns through the end of July remained in positive territory. In bond markets, yields were volatile but generally moved lower for the period as a whole (pushing prices up). Continued low short-term interest rates kept yields on money market securities near their all-time lows.

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“Although markets remain highly volatile and conditions are highly uncertain, BlackRock remains focused on finding opportunities in this environment.”

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of July 31, 2011

| | 6-month | 12-month |
|--|---------|----------|
| US large cap equities (S&P 500 [®] Index) | 1.46% | 19.65% |
| US small cap equities (Russell 2000 [®] Index) | 2.63 | 23.92 |
| International equities (MSCI Europe, Australasia, Far East Index) | 0.93 | 17.17 |
| Emerging market equities (MSCI Emerging Markets Index) | 3.23 | 17.45 |
| 3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index) | 0.07 | 0.14 |
| US Treasury securities (BofA Merrill Lynch 10- Year US Treasury Index) | 6.93 | 4.53 |
| US investment grade bonds (Barclays Capital US Aggregate Bond Index) | 4.23 | 4.44 |
| Tax-exempt municipal bonds (Barclays Capital Municipal Bond Index) | 6.27 | 3.24 |
| US high yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index) | 3.90 | 12.89 |

Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

THIS PAGE NOT PART OF YOUR FUND REPORT

Municipal Market Overview

For the 12-Month Period Ended July 31, 2011

At the outset of the 12-month period, investor concerns were focused on the possibility of deflation and a double-dip in the US economy thus leading to a flatter municipal yield curve at that time as compared to July 31, 2011. From July through September 2010, rates moved lower (and prices higher) across the curve, reaching historic lows in August when the yield on 5-year issues touched 1.06%, the 10-year reached 2.18%, and the 30-year closed at 3.67%. However, the market took a turn in October amid a "perfect storm" of events that ultimately resulted in the worst quarterly performance for municipals since the Fed tightening cycle of 1994. Treasury yields lost support due to concerns over the US deficit and municipal valuations suffered a quick and severe setback as it became evident that the Build America Bond (BAB) program would expire at the end of 2010. The BAB program opened the taxable market to municipal issuers, which had successfully alleviated supply pressure in the traditional tax-exempt marketplace, bringing down yields in that space.

Towards the end of the fourth quarter 2010, news about municipal finance troubles mounted and damaged confidence among retail investors. From mid-November through year end, weekly outflows from municipal mutual funds averaged over \$2.5 billion. Political uncertainty surrounding the midterm elections and tax policies along with the expiration of the BAB program exacerbated the situation. These conditions combined with seasonal illiquidity sapped willful market participation from the trading community. December brought declining demand with no comparable reduction in supply as issuers rushed their deals to market before the BAB program was retired. This supply-demand imbalance led to wider quality spreads and higher yields.

Demand is usually strong at the beginning of a new year, but retail investors continued to move away from municipal mutual funds in 2011. From mid-November, outflows persisted for 29 consecutive weeks, totaling \$35.1 billion before the trend finally broke in June. Weak demand has been counter-balanced by lower supply in 2011. According to Thomson Reuters, year-to-date through July, new issuance was down 40% compared to the same period last year. Issuers have been reluctant to bring new deals to the market due to higher interest rates, fiscal policy changes and a reduced need for municipal borrowing. In this positive technical environment, the S&P/InvestmentTools Main Municipal Bond Index gained 4.22% for the second quarter of 2011, its best second-quarter performance since 1992, and municipals outperformed most other fixed income asset classes for the quarter.

Municipals displayed an impressive degree of resiliency throughout the month of July as Moody's Investors Service signaled that its potential downgrade of US government debt could also result in downgrades of a number of triple A-rated states and nearly 200 local general obligation issues. July also brought weaker US economic data. The housing market remained sluggish, fewer jobs were created and consumer confidence declined.

US Treasury yields moved lower, dragging municipal yields down, which pushed bond prices up.

Overall, the municipal yield curve steepened during the period from July 31, 2010 to July 31, 2011. As measured by Thomson Municipal Market Data, yields on AAA quality-rated 30-year municipals rose 38 basis points (bps) to 4.35%, while yields for 5-year maturities rallied by 13 bps to 1.16%, and 10-year maturities increased by 10 bps to 2.67%. With the exception of the 2- to 5-year range, the yield spread between maturities increased over the past year, with the greatest increase seen in the 5- to 30-year range, where the spread widened by 51 bps, while overall the slope between 2- and 30-year maturities increased by 35 bps to 3.95%.

The fundamental picture for municipalities is improving as most states began their new fiscal year with a balanced budget. Austerity is the general theme across the country, while a small number of states continue to rely on the kick the can approach, using aggressive revenue projections and accounting gimmicks to close their shortfalls. As long as economic growth stays positive, tax receipts for states should continue to rise and lead to better credit fundamentals. BlackRock maintains a constructive view of the municipal market, recognizing that careful credit research and security selection remain imperative amid uncertainty in the economic environment.

Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

Fund Summary as of July 31, 2011 **BlackRock MuniHoldings California Quality Fund, Inc.**

Fund Overview

Effective November 9, 2010, BlackRock MuniHoldings California Insured Fund, Inc. changed its name to BlackRock MuniHoldings California Quality Fund, Inc.

BlackRock MuniHoldings California Quality Fund, Inc.'s (MUC) (the "Fund") investment objective is to provide shareholders with current income exempt from federal and California income taxes. The Fund seeks to achieve its investment objective by investing primarily in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and California income taxes. Under normal market conditions, the Fund invests at least 80% of its assets in investment grade municipal obligations with remaining maturities of one year or more at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund's investment objective will be achieved.

Performance

Effective November 9, 2010, the Fund's investment policy was changed by the removal of the insurance investment policy that required at least 80% of Fund assets to be invested in insured municipal securities. Accordingly, the Fund was moved from the Lipper Single-State Insured Municipal Debt Funds category into the Lipper California Municipal Debt Funds category. For the 12 months ended July 31, 2011, the Fund returned 0.16% based on market price and 4.88% based on net asset value ("NAV"). For the same period, the closed-end Lipper California Municipal Debt Funds category posted an average return of (1.84)% based on market price and 3.16% based on NAV, while the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of (1.22)% based on market price and 3.22% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund's long duration posture benefited performance as bonds with longer maturities experienced the greatest price appreciation as the yield curve flattened in the latter half of the period. Increased exposure to inverse floating rate instruments (tender option bonds) while the municipal yield curve was historically steep boosted the Fund's income accrual. Holdings of higher quality essential service revenue bonds had a positive impact on performance as investors favored these securities versus general obligation bonds and school district credits, which lagged due to budget concerns in California. Additionally, the Fund benefited from holding insured credits with relatively strong underlying issuers when monoline insurance company policies were losing their value to the retail marketplace. Conversely, some widening of credit spreads, especially among California school district and health care issues, had a negative impact on returns. In addition, the Fund's cash reserves detracted as yields fell and spreads tightened. The Fund held short-call, high-coupon bonds, which have good defensive characteristics, but proved a drag on returns when rates fell.

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Fund Information

| | |
|--|-------------------|
| Symbol on New York Stock Exchange ("NYSE") | MUC |
| Initial Offering Date | February 27, 1998 |
| Yield on Closing Market Price as of July 31, 2011 (\$13.15) ¹ | 6.98% |
| Tax Equivalent Yield ² | 10.74% |
| Current Monthly Distribution per Common Share ³ | \$0.0765 |
| Current Annualized Distribution per Common Share ³ | \$0.9180 |
| Leverage as of July 31, 2011 ⁴ | 43% |

Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

² Tax equivalent yield assumes the maximum federal tax rate of 35%.

³ The distribution rate is not constant and is subject to change.

⁴ Represents Auction Market Preferred Shares ("AMPS") and tender option bond trusts ("TOBs") as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to AMPS and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 11.

The table below summarizes the changes in the Fund's market price and NAV per share:

| | 7/31/11 | 7/31/10 | Change | High | Low |
|-----------------|---------|---------|---------|---------|---------|
| Market Price | \$13.15 | \$14.04 | (6.34)% | \$14.69 | \$12.07 |
| Net Asset Value | \$14.27 | \$14.55 | (1.92)% | \$15.10 | \$12.49 |

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

Sector Allocations

| | 7/31/11 | 7/31/10 |
|--|---------|---------|
| County/City/Special District/School District | 37% | 43% |
| Utilities | 30 | 26 |
| Transportation | 12 | 10 |
| Education | 11 | 10 |
| Corporate | 4 | 5 |
| Health | 4 | 2 |
| State | 2 | 4 |

Credit Quality Allocations⁵

| | 7/31/11 | 7/31/10 |
|---------|---------|---------|
| AAA/Aaa | 5% | 48% |

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| | | |
|-----------|----|----|
| AA/Aa | 64 | 32 |
| A | 17 | 20 |
| BBB/Baa | 5 | — |
| Not Rated | 9 | — |

⁵ Using the higher of Standard & Poor's ("S&P's") or Moody's Investors Service ("Moody's") ratings.

| | | |
|---------------|---------------|---|
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|---------------|---------------|---|

Fund Summary as of July 31, 2011 **BlackRock MuniHoldings New Jersey Quality Fund, Inc.**

Fund Overview

Effective November 9, 2010, BlackRock MuniHoldings New Jersey Insured Fund, Inc. changed its name to BlackRock MuniHoldings New Jersey Quality Fund, Inc.

BlackRock MuniHoldings New Jersey Quality Fund, Inc.'s (MUJ) (the "Fund") investment objective is to provide shareholders with current income exempt from federal income tax and New Jersey personal income taxes. The Fund seeks to achieve its investment objective by investing primarily in long-term, investment grade municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and New Jersey personal income taxes. Under normal market conditions, the Fund invests at least 80% of its assets in municipal obligations with remaining maturities of one year or more at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund's investment objective will be achieved.

Performance

Effective November 9, 2010, the Fund's investment policy was changed by the removal of the insurance investment policy that required at least 80% of Fund assets to be invested in insured municipal securities. Accordingly, the Fund was moved from the Lipper Single-State Insured Municipal Debt Funds category into the Lipper New Jersey Municipal Debt Funds category. For the 12 months ended July 31, 2011, the Fund returned (2.77)% based on market price and 3.28% based on NAV. For the same period, the closed-end Lipper New Jersey Municipal Debt Funds category posted an average return of (3.20)% based on market price and 3.20% based on NAV, while the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of (1.22)% based on market price and 3.22% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund's holdings in spread sectors, including housing, health care and corporate-backed municipal bonds, enhanced performance as these sectors provided a relatively high degree of incremental income in the low interest rate environment. The Fund's holdings of high-coupon bonds and shorter-duration bonds (bonds with lower sensitivity to interest rate movements) performed well as long-term rates climbed toward the end of 2010 and into the early part of 2011. Conversely, the Fund's exposure to bonds with longer duration (greater sensitivity to interest rate movements) and bonds with longer-dated maturities detracted from performance as the municipal yield curve steepened over the 12-month period. The surprise non-extension of the BAB program at the end of 2010 put additional upward pressure on the long end of the yield curve, where most of the BAB supply was issued.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information

| | |
|--|----------------|
| Symbol on NYSE | MUJ |
| Initial Offering Date | March 11, 1998 |
| Yield on Closing Market Price as of July 31, 2011 (\$13.74) ¹ | 6.46% |
| Tax Equivalent Yield ² | 9.94% |
| Current Monthly Distribution per Common Share ³ | \$0.074 |
| Current Annualized Distribution per Common Share ³ | \$0.888 |
| Leverage as of July 31, 2011 ⁴ | 37% |

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

² Tax equivalent yield assumes the maximum federal tax rate of 35%.

³ The distribution rate is not constant and is subject to change.

⁴ Represents Variable Rate Demand Preferred Shares ("VRDP Shares") and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 11.

The table below summarizes the changes in the Fund's market price and NAV per share:

| | 7/31/11 | 7/31/10 | Change | High | Low |
|-----------------|---------|---------|---------|---------|---------|
| Market Price | \$13.74 | \$15.05 | (8.70)% | \$15.71 | \$12.65 |
| Net Asset Value | \$14.73 | \$15.19 | (3.03)% | \$15.65 | \$13.43 |

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

Sector Allocations

| | 7/31/11 | 7/31/10 |
|--|---------|---------|
| State | 31% | 30% |
| Transportation | 19 | 18 |
| County/City/Special District/School District | 14 | 17 |
| Education | 12 | 12 |
| Health | 11 | 9 |
| Housing | 6 | 6 |
| Utilities | 5 | 6 |
| Tobacco | 1 | 1 |
| Corporate | 1 | 1 |

Credit Quality Allocations⁵

| | 7/31/11 | 7/31/10 |
|---------|---------|---------|
| AAA/Aaa | 11% | 38% |
| AA/Aa | 45 | 25 |

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| | | |
|------------------------|----|----|
| A | 30 | 28 |
| BBB/Baa | 14 | 7 |
| Not Rated ⁶ | — | 2 |

⁵ Using the higher of S&P's and Moody's ratings.

⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2011 and July 31, 2010, the market value of these securities was \$10,031, representing less than 1%, and \$7,659,796, representing 2%, respectively, of the Fund's long-term investments.

Fund Summary as of July 31, 2011 **BlackRock MuniYield Investment Quality Fund**

Fund Overview

Effective November 9, 2010, BlackRock MuniYield Insured Investment Fund changed its name to BlackRock MuniYield Investment Quality Fund.

BlackRock MuniYield Investment Quality Fund's (MFT) (the "Fund") investment objective is to provide shareholders with as high a level of current income exempt from federal income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). Under normal market conditions, the Fund invests primarily in long-term municipal obligations that are investment grade quality at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund's investment objective will be achieved.

Performance

Effective November 9, 2010, the Fund's investment policy was changed by the removal of the insurance investment policy that required at least 80% of Fund assets to be invested in insured municipal securities. Accordingly, the Fund was moved from the Lipper Insured Municipal Debt Funds (Leveraged) category into the Lipper General Municipal Debt Funds (Leveraged) category. During the period, Lipper combined these categories into one General & Insured Municipal Debt Funds (Leveraged) category. For the 12 months ended July 31, 2011, the Fund returned (7.32)% based on market price and 3.20% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of (2.24)% based on market price and 4.19% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a premium to NAV to a discount which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund's holdings in spread sectors, including housing and health care bonds, enhanced performance as these sectors provided a relatively high degree of incremental income in the low interest rate environment. The Fund's holdings of premium coupon bonds (6% or higher) and shorter-duration bonds (bonds with lower sensitivity to interest rate movements) performed well as long-term interest rates climbed toward the end of 2010 and into the early part of 2011. Conversely, the Fund's exposure to bonds with longer duration (greater sensitivity to interest rate movements) and bonds with longer-dated maturities detracted from performance as the municipal yield curve steepened over the 12-month period. The surprise non-extension of the BAB program at the end of 2010 put additional upward pressure on the long end of the curve, where most of the BAB supply was issued.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information

| | |
|--|------------------|
| Symbol on NYSE | MFT |
| Initial Offering Date | October 30, 1992 |
| Yield on Closing Market Price as of July 31, 2011 (\$12.39) ¹ | 6.88% |
| Tax Equivalent Yield ² | 10.58% |
| Current Monthly Distribution per Common Share ³ | \$0.071 |
| Current Annualized Distribution per Common Share ³ | \$0.852 |
| Leverage as of July 31, 2011 ⁴ | 39% |

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

² Tax equivalent yield assumes the maximum federal tax rate of 35%.

³ The distribution rate is not constant and is subject to change.

⁴ Represents AMPS and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to AMPS and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 11.

The table below summarizes the changes in the Fund's market price and NAV per share:

| | 7/31/11 | 7/31/10 | Change | High | Low |
|-----------------|---------|---------|----------|---------|---------|
| Market Price | \$12.39 | \$14.28 | (13.24)% | \$14.47 | \$11.15 |
| Net Asset Value | \$13.40 | \$13.87 | (3.39)% | \$14.38 | \$11.96 |

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

Sector Allocations

| | 7/31/11 | 7/31/10 |
|--|---------|---------|
| Utilities | 30% | 27% |
| County/City/Special District/School District | 23 | 26 |
| Transportation | 18 | 16 |
| Health | 13 | 14 |
| State | 9 | 11 |
| Education | 3 | 2 |
| Housing | 3 | 4 |
| Tobacco | 1 | — |

Credit Quality Allocations⁵

| | 7/31/11 | 7/31/10 |
|---------|---------|---------|
| AAA/Aaa | 4% | 58% |
| AA/Aa | 13 | 22 |
| A | 69 | 17 |
| BBB/Baa | 8 | — |

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| | | |
|-----------|---|----|
| Not Rated | 6 | 36 |
|-----------|---|----|

⁵ Using the higher of S&P's or Moody's ratings.

⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2010, the market value of these securities was \$4,251,053, representing 2% of the Fund's long-term investments.

| | | |
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Fund Summary as of July 31, 2011 **BlackRock MuniYield Michigan Quality Fund, Inc.**

Fund Overview

Effective November 9, 2010, BlackRock MuniYield Michigan Insured Fund, Inc. changed its name to BlackRock MuniYield Michigan Quality Fund, Inc.

BlackRock MuniYield Michigan Quality Fund, Inc.'s (MIY) (the "Fund") investment objective is to provide shareholders with as high a level of current income exempt from federal and Michigan income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and Michigan income taxes. Under normal market conditions, the Fund invests primarily in long-term municipal obligations that are investment grade quality at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund's investment objective will be achieved.

Performance

Effective November 9, 2010, the Fund's investment policy was changed by the removal of the insurance investment policy that required at least 80% of Fund assets to be invested in insured municipal securities. Accordingly, the Fund was moved from the Lipper Single-State Insured Municipal Debt Funds category into the Lipper Michigan Municipal Debt Funds category. For the 12 months ended July 31, 2011, the Fund returned (1.67)% based on market price and 4.78% based on NAV. For the same period, the closed-end Lipper Michigan Municipal Debt Funds category posted an average return of 0.18% based on market price and 4.12% based on NAV, while the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of (1.22)% based on market price and 3.22% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund's slightly long duration posture benefited performance as bonds with longer maturities experienced the greatest price appreciation as the yield curve flattened amid the investor flight-to-quality in the latter half of the period. Exposure to inverse floating rate instruments (tender option bonds) while the municipal yield curve was historically steep boosted the Fund's income accrual. The Fund's holdings of higher quality essential service revenue bonds also had a positive impact on performance. Conversely, some widening of credit spreads, especially among Michigan and health care issues, had a negative impact on returns. In addition, the Fund's cash reserves detracted as yields fell and spreads tightened.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information

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| | |
|--|------------------|
| Symbol on NYSE | MIY |
| Initial Offering Date | October 30, 1992 |
| Yield on Closing Market Price as of July 31, 2011 (\$13.39) ¹ | 6.86% |
| Tax Equivalent Yield ² | 10.55% |
| Current Monthly Distribution per Common Share ³ | \$0.0765 |
| Current Annualized Distribution per Common Share ³ | \$0.9180 |
| Leverage as of July 31, 2011 ⁴ | 38% |

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

² Tax equivalent yield assumes the maximum federal tax rate of 35%.

³ The distribution rate is not constant and is subject to change.

⁴ Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 11.

The table below summarizes the changes in the Fund's market price and NAV per share:

| | 7/31/11 | 7/31/10 | Change | High | Low |
|-----------------|---------|---------|---------|---------|---------|
| Market Price | \$13.39 | \$14.55 | (7.97)% | \$15.28 | \$12.12 |
| Net Asset Value | \$14.63 | \$14.92 | (1.94)% | \$15.37 | \$13.32 |

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

Sector Allocations

| | 7/31/11 | 7/31/10 |
|--|---------|---------|
| County/City/Special District/School District | 29% | 33% |
| Utilities | 16 | 12 |
| Health | 13 | 14 |
| Corporate | 10 | 11 |
| Transportation | 10 | 12 |
| State | 9 | 9 |
| Education | 8 | 6 |
| Housing | 5 | 3 |

Credit Quality Allocations⁵

| | 7/31/11 | 7/31/10 |
|------------------------|---------|---------|
| AAA/Aaa | 3% | 43% |
| AA/Aa | 67 | 26 |
| A | 27 | 28 |
| BBB/Baa | 2 | 1 |
| Not Rated ⁶ | 1 | 2 |

⁵ Using the higher of S&P's or Moody's ratings.

⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2011 and July 31, 2010, the market value of these securities was \$1,064,957, representing 1%, and \$2,921,098, representing 1%, respectively, of the Fund's long-term investments.

Fund Summary as of July 31, 2011 **BlackRock MuniYield New Jersey Quality Fund, Inc.**

Fund Overview

Effective November 9, 2010, BlackRock MuniYield New Jersey Insured Fund, Inc. changed its name to BlackRock MuniYield New Jersey Quality Fund, Inc.

BlackRock MuniYield New Jersey Quality Fund, Inc.'s (MJY) (the "Fund") investment objective is to provide shareholders with as high a level of current income exempt from federal income taxes and New Jersey personal income tax as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and New Jersey personal income taxes. Under normal market conditions, the Fund invests primarily in long-term municipal obligations that are investment grade quality at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund's investment objective will be achieved.

Performance

Effective November 9, 2010, the Fund's investment policy was changed by the removal of the insurance investment policy that required at least 80% of Fund assets to be invested in insured municipal securities. Accordingly, the Fund was moved from the Lipper Single-State Insured Municipal Debt Funds category into the Lipper New Jersey Municipal Debt Funds category. For the 12 months ended July 31, 2011, the Fund returned (6.12)% based on market price and 3.10% based on NAV. For the same period, the closed-end Lipper New Jersey Municipal Debt Funds category posted an average return of (3.20)% based on market price and 3.20% based on NAV, while the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of (1.22)% based on market price and 3.22% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund's holdings in spread sectors, including housing, health care and corporate-backed municipal bonds, enhanced performance as these sectors provided a relatively high degree of incremental income in the low interest rate environment. The Fund's holdings of high-coupon bonds and shorter-duration bonds (bonds with lower sensitivity to interest rate movements) performed well as long-term interest rates climbed toward the end of 2010 and into the early part of 2011. Conversely, the Fund's exposure to bonds with longer duration (greater sensitivity to interest rate movements) and bonds with longer-dated maturities detracted from performance as the municipal yield curve steepened over the 12-month period. The surprise non-extension of the BAB program at the end of 2010 put additional upward pressure on the long end of the yield curve, where most of the BAB supply was issued.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

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Fund Information

| | |
|--|------------------|
| Symbol on NYSE | MJI |
| Initial Offering Date | October 30, 1992 |
| Yield on Closing Market Price as of July 31, 2011 (\$13.16) ¹ | 6.57% |
| Tax Equivalent Yield ² | 10.11% |
| Current Monthly Distribution per Common Share ³ | \$0.072 |
| Current Annualized Distribution per Common Share ³ | \$0.864 |
| Leverage as of July 31, 2011 ⁴ | 35% |

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

² Tax equivalent yield assumes the maximum federal tax rate of 35%.

³ The distribution rate is not constant and is subject to change.

⁴ Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 11.

The table below summarizes the changes in the Fund's market price and NAV per share:

| | 7/31/11 | 7/31/10 | Change | High | Low |
|-----------------|---------|---------|----------|---------|---------|
| Market Price | \$13.16 | \$14.92 | (11.80)% | \$15.56 | \$12.20 |
| Net Asset Value | \$14.53 | \$15.00 | (3.13)% | \$15.49 | \$13.27 |

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

Sector Allocations

| | 7/31/11 | 7/31/10 |
|--|---------|---------|
| State | 27% | 28% |
| Education | 17 | 16 |
| County/City/Special District/School District | 14 | 17 |
| Transportation | 12 | 9 |
| Health | 10 | 10 |
| Utilities | 9 | 9 |
| Housing | 7 | 7 |
| Corporate | 3 | 3 |
| Tobacco | 1 | 1 |

Credit Quality Allocations⁵

| | 7/31/11 | 7/31/10 |
|---------|---------|---------|
| AAA/Aaa | 10% | 31% |
| AA/Aa | 44 | 23 |
| A | 33 | 36 |

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| | | |
|------------------------|----|---|
| BBB/Baa | 10 | 5 |
| Not Rated ⁶ | 3 | 5 |

⁵ Using the higher of S&P's and Moody's ratings.

⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2011 and July 31, 2010, the market value of these securities was \$3,124,559, representing 3%, and \$8,904,633, representing 5%, respectively, of the Fund's long-term investments.

| | | |
|---------------|---------------|---|
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|---------------|---------------|---|

Fund Summary as of July 31, 2011 **BlackRock MuniYield Pennsylvania Quality Fund**

Fund Overview

Effective November 9, 2010, BlackRock MuniYield Pennsylvania Insured Fund changed its name to BlackRock MuniYield Pennsylvania Quality Fund.

BlackRock MuniYield Pennsylvania Quality Fund's (MPA) (the "Fund") investment objective is to provide shareholders with as high a level of current income exempt from federal and Pennsylvania income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and Pennsylvania income taxes. Under normal market conditions, the Fund invests primarily in long-term municipal obligations that are investment grade quality at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund's investment objective will be achieved.

Performance

Effective November 9, 2010, the Fund's investment policy was changed by the removal of the insurance investment policy that required at least 80% of Fund assets to be invested in insured municipal securities. Accordingly, the Fund was moved from the Lipper Single-State Insured Municipal Debt Funds category into the Lipper Pennsylvania Municipal Debt Funds category. For the 12 months ended July 31, 2011, the Fund returned (2.55)% based on market price and 3.84% based on NAV. For the same period, the closed-end Lipper Pennsylvania Municipal Debt Funds category posted an average return of (2.55)% based on market price and 3.46% based on NAV, while the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of (1.22)% based on market price and 3.22% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund benefited from high income accrual generated by its higher coupon bond holdings and low cash reserves. The Fund sought investments with attractive valuations relative to their credit risk. Capital appreciation in the Fund's holdings on the short end of the municipal yield curve, where interest rates declined during the period, boosted returns. However, the Fund's overall long duration (sensitivity to interest rates) detracted from performance as long-term rates rose and the yield curve steepened due to municipal credit concerns and expiration of the BAB program. US Treasury financial futures contracts used to hedge interest rate risk in the portfolio had a negative impact on performance.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information

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| | |
|--|------------------|
| Symbol on NYSE | MPA |
| Initial Offering Date | October 30, 1992 |
| Yield on Closing Market Price as of July 31, 2011 (\$13.94) ¹ | 6.59% |
| Tax Equivalent Yield ² | 10.14% |
| Current Monthly Distribution per Common Share ³ | \$0.0765 |
| Current Annualized Distribution per Common Share ³ | \$0.9180 |
| Leverage as of July 31, 2011 ⁴ | 37% |

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

² Tax equivalent yield assumes the maximum federal tax rate of 35%.

³ The distribution rate is not constant and is subject to change.

⁴ Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 11.

The table below summarizes the changes in the Fund's market price and NAV per share:

| | 7/31/11 | 7/31/10 | Change | High | Low |
|-----------------|---------|---------|---------|---------|---------|
| Market Price | \$13.94 | \$15.26 | (8.65)% | \$15.71 | \$12.56 |
| Net Asset Value | \$14.97 | \$15.38 | (2.67)% | \$15.86 | \$13.45 |

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

Sector Allocations

| | 7/31/11 | 7/31/10 |
|--|---------|---------|
| County/City/Special District/School District | 30% | 29% |
| State | 16 | 23 |
| Health | 14 | 12 |
| Utilities | 13 | 12 |
| Transportation | 12 | 12 |
| Education | 8 | 5 |
| Corporate | 4 | 3 |
| Housing | 3 | 4 |

Credit Quality Allocations⁵

| | 7/31/11 | 7/31/10 |
|---------|---------|---------|
| AAA/Aaa | — | 41% |
| AA/Aa | 79% | 42 |
| A | 17 | 16 |
| BBB/Baa | 4 | 1 |

⁵ Using the higher of S&P's or Moody's ratings.

The Benefits and Risks of Leveraging

The Funds may utilize leverage to seek to enhance the yield and NAV of their common shares ("Common Shares"). However, these objectives cannot be achieved in all interest rate environments.

To leverage, the Funds issue AMPS and VRDP Shares (collectively, "Preferred Shares"), which pay dividends at prevailing short-term interest rates, and invest the proceeds in long-term municipal bonds. In general, the concept of leveraging is based on the premise that the financing cost of assets to be obtained from leverage, which will be based on short-term interest rates, will normally be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's holders of Common Shares ("Common Shareholders") will benefit from the incremental net income.

To illustrate these concepts, assume a Fund's Common Shares capitalization is \$100 million and it issues Preferred Shares for an additional \$50 million, creating a total value of \$150 million available for investment in long-term municipal bonds. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund pays dividends on the \$50 million of Preferred Shares based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with assets received from the Preferred Shares issuance earn income based on long-term interest rates. In this case, the dividends paid to holders of Preferred Shares ("Preferred Shareholders") are significantly lower than the income earned on the Fund's long-term investments, and therefore the Common Shareholders are the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup on the Common Shares will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates, the yield curve has a negative slope. In this case, the Fund pays dividends to Preferred Shareholders on the higher short-term interest rates whereas the Fund's total portfolio earns income based on lower long-term interest rates.

Furthermore, the value of the Funds' portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the redemption value of the Funds' Preferred Shares does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Funds' NAV positively or negatively in addition to the impact on Fund performance from leverage from Preferred Shares discussed above.

The Funds may also leverage their assets through the use of TOBs, as described in Note 1 of the Notes to Financial Statements. TOB investments

generally will provide the Funds with economic benefits in periods of declining short-term interest rates, but expose the Funds to risks during periods of rising short-term interest rates similar to those associated with Preferred Shares issued by the Funds, as described above. Additionally, fluctuations in the market value of municipal bonds deposited into the TOB trust may adversely affect each Fund's NAV per share.

The use of leverage may enhance opportunities for increased income to the Funds and Common Shareholders, but as described above, it also creates risks as short- or long-term interest rates fluctuate. Leverage also will generally cause greater changes in the Funds' NAVs, market prices and dividend rates than comparable portfolios without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, the Funds' net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, each Fund's net income will be less than if leverage had not been used, and therefore the amount available for distribution to Common Shareholders will be reduced. Each Fund may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause a Fund to incur losses. The use of leverage may limit each Fund's ability to invest in certain types of securities or use certain types of hedging strategies, such as in the case of certain restrictions imposed by ratings agencies that rate the Preferred Shares issued by the Funds. Each Fund will incur expenses in connection with the use of leverage, all of which are borne by Common Shareholders and may reduce income to the Common Shares.

Under the Investment Company Act of 1940, the Funds are permitted to issue Preferred Shares in an amount of up to 50% of their total managed assets at the time of issuance. Under normal circumstances, each Fund anticipates that the total economic leverage from Preferred Shares and/or TOBs will not exceed 50% of its total managed assets at the time such leverage is incurred. As of July 31, 2011, the Funds had economic leverage from Preferred Shares and/or TOBs as a percentage of their total managed assets as follows:

| | Percent of Leverage |
|-----|--------------------------------|
| MUC | 43% |
| MUJ | 37% |
| MFT | 39% |
| MIY | 38% |
| MJI | 35% |
| MPA | 37% |

Derivative Financial Instruments

The Funds may invest in various derivative financial instruments, including financial futures contracts as specified in Note 2 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market and/or interest rate risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Funds' ability to use a derivative financial instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a Fund to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Fund can realize on an investment, may result in lower dividends paid to shareholders or may cause a Fund to hold an investment that it might otherwise sell. The Funds' investments in these instruments are discussed in detail in the Notes to Financial Statements.

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

Schedule of Investments July 31, 2011

(Percentages shown are based on Net Assets)

| Municipal Bonds | Par (000) | Value |
|--|--------------|--------------|
| California — 113.3% | | |
| Corporate — 0.5% | | |
| City of Chula Vista California, Refunding RB, San Diego Gas & Electric, Series A, 5.88%, 2/15/34 | \$ 2,435 | \$ 2,623,932 |
| County/City/Special District/School District — 40.6% | | |
| Alameda County Joint Powers Authority, Refunding RB, Lease (AGM), 5.00%, 12/01/34 | 13,180 | 13,271,601 |
| Bonita Unified School District California, GO, Election of 2004, Series B (NPFGC), 5.00%, 8/01/29 | 8,350 | 8,576,619 |
| Centinela Valley Union High School District, GO, Election of 2010, Series A, 5.75%, 8/01/41 | 9,000 | 9,446,760 |
| Central Unified School District, GO, Election of 2008, Series A (AGC), 5.63%, 8/01/33 | 2,600 | 2,734,134 |
| City of Garden Grove California, COP, Series A, Financing Project (AMBAC), 5.50%, 3/01/26 | 4,040 | 4,153,847 |
| City of Lodi California, COP, Refunding, Series A (AGM), 5.00%, 10/01/32 | 2,080 | 2,107,394 |
| City of Redding California, COP, Refunding, Series A (AGM), 5.00%, 6/01/30 | 5,735 | 5,851,076 |
| Colton Joint Unified School District, GO, Series A (NPFGC), 5.38%, 8/01/26 | 2,500 | 2,572,875 |
| Corona Department of Water & Power, COP (NPFGC), 5.00%, 9/01/29 | 5,910 | 5,895,816 |
| County of Kern California, COP, Capital Improvements Projects, Series A (AGC), 6.00%, 8/01/35 | 3,500 | 3,787,280 |
| Covina-Valley Unified School District California, GO, Refunding, Series A (AGM), 5.50%, 8/01/26 | 2,395 | 2,494,081 |
| Culver City Redevelopment Finance Authority California, Tax Allocation Bonds, Refunding, Series A (AGM), 5.60%, 11/01/25 | 3,750 | 3,781,613 |
| Fullerton Joint Union High School District California, GO, Election of 2002, Series B (NPFGC), 5.00%, 8/01/29 | 6,685 | 6,872,848 |
| Grossmont Healthcare District, GO, Election of 2006, Series B, 6.13%, 7/15/40 | 2,000 | 2,173,980 |

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| | | |
|---|--------|------------|
| Los Angeles Community Redevelopment Agency California, RB, Bunker Hill Project, Series A (AGM), 5.00%, 12/01/27 | 10,000 | 10,268,200 |
| Los Angeles County Metropolitan Transportation Authority, Refunding RB, Proposition A, First Tier, Senior, Series A (AMBAC), 5.00%, 7/01/35 | 9,000 | 9,153,360 |
| Orange County Sanitation District, COP, Series A, 5.00%, 2/01/35 | 2,500 | 2,569,250 |
| Oxnard Union High School District, GO, Refunding, Election of 2004, Series A (AGM), 5.00%, 8/01/35 | 10,000 | 10,050,400 |
| Port of Oakland, Refunding RB, Series M (FGIC), 5.38%, 11/01/27 | 21,965 | 22,003,878 |
| Redlands Unified School District California, GO, Election of 2008 (AGM), 5.25%, 7/01/33 | 5,000 | 5,136,900 |
| Redwoods Community College District, GO, Election of 2004 (NPFGC), 5.00%, 8/01/31 | 4,630 | 4,647,918 |

| | Par (000) | Value |
|--|--------------|--------------|
| Municipal Bonds | | |
| California (continued) | | |
| County/City/Special District/School District (concluded) | | |
| Riverside Unified School District California, GO, Election of 2001, Series B (NPFGC), 5.00%, 8/01/30 | \$ 5,000 | \$ 5,059,550 |
| Saddleback Valley Unified School District California, GO (AGM), 5.00%, 8/01/29 | 2,000 | 2,030,940 |
| San Bernardino Community College District, GO, Election of 2002, Series A, 6.25%, 8/01/33 | 310 | 346,034 |
| San Diego Community College District California, GO, Election of 2002 (AGM), 5.00%, 5/01/30 | 7,000 | 7,177,590 |
| San Diego Regional Building Authority, RB, County Operations Center & Annex, Series A, 5.50%, 2/01/29 | 900 | 955,611 |
| San Francisco Community College District California, GO, Election of 2001, Series C (AGM), 5.00%, 6/15/31 | 4,195 | 4,304,196 |
| San Jose Financing Authority, RB, Convention Center Expansion & Renovation Project: 5.75%, 5/01/36 | 2,560 | 2,616,243 |
| 5.75%, 5/01/42 | 4,500 | 4,662,720 |
| San Marcos Unified School District, GO, Election of 2010, Series A: 5.00%, 8/01/34 | 3,740 | 3,763,412 |

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| | | |
|---|--------|-------------|
| 5.00%, 8/01/38 | 5,020 | 4,990,533 |
| San Mateo County Transportation District California, Refunding RB, Series A (NPFGC), 5.00%, 6/01/29 | 5,650 | 5,790,290 |
| Santa Clara Redevelopment Agency California, Tax Allocation Bonds, Bayshore North Project, Series A (AMBAC), 5.50%, 6/01/23 | 10,000 | 10,026,900 |
| Snowline Joint Unified School District California, COP, Refunding, Refining Project (AGC), 5.75%, 9/01/38 | 5,635 | 6,080,165 |
| Tustin Unified School District, GO, Election of 2008, Series B, 6.00%, 8/01/36 | 1,500 | 1,644,195 |
| Vista Unified School District California, GO, Series A (AGM), 5.25%, 8/01/25 | 10,000 | 10,275,100 |
| Walnut Valley Unified School District, GO, Election of 2007, Measure S, Series A (AGM): | | |
| 5.00%, 8/01/30 | 1,000 | 1,023,720 |
| 5.00%, 2/01/33 | 2,000 | 2,022,360 |
| West Contra Costa Unified School District California, GO (AGM): | | |
| Election of 2002, Series B, 5.00%, 8/01/32 | 6,690 | 6,713,348 |
| Election of 2005, Series A, 5.00%, 8/01/26 | 2,595 | 2,677,547 |
| Election of 2005, Series A, 5.00%, 8/01/35 | 12,000 | 12,047,400 |
| Westminster Redevelopment Agency California, Tax Allocation Bonds, Subordinate, Commercial Redevelopment Project No. 1 (AGC), 6.25%, 11/01/39 | 4,300 | 4,781,471 |
| | | 236,539,155 |

Education — 10.9%

| | | |
|---|--------|-----------|
| Anaheim City School District California, GO, Election of 2010 (AGM), 6.25%, 8/01/40 | 3,750 | 4,171,725 |
| California State University, Refunding RB, Systemwide, Series C (NPFGC), 5.00%, 11/01/35 | 10,000 | 9,806,400 |

Portfolio Abbreviations

| | | | |
|--|---|---|--|
| <p>To simplify the listings of portfolio holdings in the Schedules of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:</p> | <p>BHAC Berkshire Hathaway Assurance Corp.</p> <p>CAB Capital Appreciation Bonds</p> <p>CIFG CDC IXIS Financial Guaranty</p> <p>COP Certificates of Participation</p> <p>EDA Economic Development Authority</p> <p>EDC Economic Development Corp.</p> | <p>GO General Obligation Bonds</p> <p>HDA Housing Development Authority</p> <p>HFA Housing Finance Agency</p> <p>HRB Housing Revenue Bonds</p> <p>IDA Industrial Development Authority</p> <p>ISD Independent School District</p> | |
| <p>ACA ACA Financial Guaranty Corp.</p> | | | |

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| | | | | | |
|--------------|---|-------------|-----------------------------------|---------------|--|
| AGC | Assured Guaranty Corp. | ERB | Education Revenue Bonds | LRB | Lease Revenue Bonds |
| AGM | Assured Guaranty Municipal Corp. American Municipal Bond Assurance Corp. | FGIC | Financial Guaranty Insurance Co. | NPFGC | National Public Finance Guarantee Corp. Qualified School Bond Loan Fund |
| AMBAC | Corp. | FSA | Financial Security Assurance Inc. | Q-SBLF | |
| AMT | Alternative Minimum Tax (subject to) | GAN | Grant Anticipation Notes | RB | Revenue Bonds |
| | | GARB | General Airport Revenue Bonds | S/F | Single-Family |

See Notes to Financial Statements.

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| Municipal Bonds | Par (000) | Value |
|---|--------------|--------------|
| California (continued) | | |
| Education (concluded) | | |
| Gavilan Joint Community College District, GO, Election of 2004, Series D: | | |
| 5.50%, 8/01/31 | \$ 2,170 | \$ 2,357,857 |
| 5.75%, 8/01/35 | 8,400 | 9,076,704 |
| Riverside Community College District, GO, Election of 2004, Series C (AGM), 5.00%, 8/01/32 | 8,750 | 8,890,525 |
| San Diego Community College District, GO, Election of 2006 (AGM), 5.00%, 8/01/30 | 9,555 | 9,926,212 |
| University of California, RB: | | |
| Limited Project, Series D (AGM), 5.00%, 5/15/37 | 5,950 | 5,915,430 |
| Series L, 5.00%, 5/15/36 | 2,995 | 3,005,243 |
| University of California, Refunding RB, General, Series A (AMBAC), 5.00%, 5/15/27 | 10,500 | 10,679,445 |
| | | 63,829,541 |
| Health — 6.2% | | |
| ABAG Finance Authority for Nonprofit Corps, Sharp Healthcare, Refunding RB: | | |
| 6.25%, 8/01/39 | 5,000 | 5,217,200 |
| Series A, 6.00%, 8/01/30 | 2,250 | 2,376,450 |
| California Health Facilities Financing Authority, RB, Providence Health Services, Series B, 5.50%, 10/01/39 | 3,970 | 4,064,089 |
| California Health Facilities Financing Authority, Refunding RB: | | |
| Catholic Healthcare West, Series A, 6.00%, 7/01/34 | 3,700 | 3,892,474 |
| Sutter Health, Series B, 6.00%, 8/15/42 | 9,655 | 10,285,278 |
| California Statewide Communities Development Authority, RB, Health Facility Memorial Health Services, Series A, 6.00%, 10/01/23 | 4,915 | 5,096,364 |
| California Statewide Communities Development Authority, Refunding RB, Kaiser Permanente, Series A (BHAC), 5.00%, 4/01/31 | 2,900 | 2,942,688 |
| City of Newport Beach California, RB, Hoag Memorial | | |

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| | | |
|--|-------|------------|
| Hospital Presbyterian, 6.00%, 12/01/40 | 1,820 | 1,973,044 |
| | | 35,847,587 |

State — 3.6%

| | | |
|--|--------|------------|
| California Community College Financing Authority, RB, Grossmont-Palomar-Shasta, Series A (NPFGC), 5.63%, 4/01/26 | 2,180 | 2,192,164 |
| California State Public Works Board, RB, Department of Education, Riverside Campus Project, Series B, 6.50%, 4/01/34 | 3,670 | 3,918,129 |
| California State University, Refunding RB, Systemwide, Series C (NPFGC), 5.00%, 11/01/28 | 5,000 | 5,085,800 |
| University of California, RB, Limited Project, Series D (NPFGC), 5.00%, 5/15/41 | 10,000 | 9,877,100 |
| | | 21,073,193 |

Transportation — 18.4%

| | | |
|---|--------|------------|
| City of Fresno California, RB, Series B, AMT (AGM), 5.50%, 7/01/20 | 4,455 | 4,561,875 |
| City of San Jose California, RB: Series A1, AMT, 6.25%, 3/01/34 | 1,400 | 1,454,096 |
| Series D (NPFGC), 5.00%, 3/01/28 | 5,000 | 4,922,250 |
| County of Orange California, RB, Series B, 5.75%, 7/01/34 | 6,345 | 6,766,625 |
| County of Sacramento California, RB: Senior Series A (AGC), 5.50%, 7/01/41 | 7,270 | 7,390,900 |
| Senior Series B, 5.75%, 7/01/39 | 2,650 | 2,730,587 |
| Senior Series B, AMT (AGM), 5.75%, 7/01/28 | 13,170 | 13,962,571 |
| Senior Series B, AMT (AGM), 5.25%, 7/01/33 | 19,525 | 19,535,348 |

| Municipal Bonds | Par (000) | Value |
|---|----------------------|--------------|
| California (concluded) | | |
| Transportation (concluded) | | |
| Los Angeles Harbor Department, RB, Series B, 5.25%, 8/01/34 | \$ 5,530 | \$ 5,719,790 |
| Port of Oakland, RB, Series K, AMT (FGIC), 5.75%, 11/01/29 | 22,160 | 22,164,432 |
| San Francisco City & County Airports Commission, RB, Series E, 6.00%, 5/01/39 | 9,650 | 10,378,768 |
| San Francisco City & County Airports Commission, Refunding RB, Second Series 34E, AMT (AGM), | | |

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| | | |
|---|--------|-------------|
| 5.75%, 5/01/24 | 5,000 | 5,381,350 |
| San Joaquin County Transportation Authority, RB, Limited Tax, Measure K, Series A, 6.00%, 3/01/36 | 2,400 | 2,628,792 |
| | | 107,597,384 |
| Utilities — 33.1% | | |
| Anaheim Public Financing Authority, RB, Electric System Distribution Facilities, Series A, 5.38%, 10/01/36 | 2,200 | 2,289,892 |
| City of Escondido California, COP, Refunding, Series A (NPFGC), 5.75%, 9/01/24 | 465 | 466,702 |
| City of Glendale California, RB (AGC), 5.00%, 2/01/31 | 5,030 | 5,176,172 |
| City of Los Angeles California, Refunding RB, Sub, Series A: 5.00%, 6/01/28 | 2,000 | 2,117,020 |
| 5.00%, 6/01/32 | 3,000 | 3,114,870 |
| Dublin-San Ramon Services District, Refunding RB, 6.00%, 8/01/41 | 4,000 | 4,259,200 |
| East Bay Municipal Utility District, Refunding RB, Sub-Series A (AMBAC), 5.00%, 6/01/33 | 6,545 | 6,775,580 |
| Eastern Municipal Water District, COP, Series H, 5.00%, 7/01/33 | 2,500 | 2,527,600 |
| Imperial Irrigation District, RB, Refunding Systems, Series B, 5.00%, 11/01/31 | 5,545 | 5,701,813 |
| Imperial Irrigation District, Refunding RB, System, 5.13%, 11/01/38 | 9,500 | 9,582,270 |
| Los Angeles County Sanitation Districts Financing Authority, Refunding RB, Capital Project 14 (BHAC), 5.00%, 10/01/34 | 7,915 | 8,033,408 |
| Metropolitan Water District of Southern California, RB, Series B-1 (FGIC), 5.00%, 10/01/33 | 9,000 | 9,119,430 |
| Oxnard Financing Authority, RB (NPFGC): Project, 5.00%, 6/01/31 | 10,000 | 10,076,200 |
| Redwood Trunk Sewer & Headworks, Series A, 5.25%, 6/01/34 | 13,000 | 13,189,930 |
| Sacramento City Financing Authority California, Refunding RB (NPFGC), 5.00%, 12/01/29 | 8,775 | 8,811,767 |
| Sacramento Municipal Utility District, RB (NPFGC): Cosumnes Project, 5.13%, 7/01/29 | 36,760 | 37,308,827 |
| Series R, 5.00%, 8/15/33 | 22,150 | 22,179,238 |
| San Diego Public Facilities Financing Authority, Refunding RB, Senior, Series A, 5.25%, 5/15/34 | 1,000 | 1,042,770 |
| San Francisco City & County Public Utilities Commission, RB: | | |

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| | | |
|---|--------|--------------------|
| Local Water Main Sub, Series C, 5.00%, 11/01/41 (a) | 5,000 | 5,083,950 |
| Series A (NPFGC), 5.00%, 11/01/32 | 15,000 | 15,096,750 |
| Series B, 5.00%, 11/01/30 | 14,000 | 14,674,100 |
| Turlock Public Financing Authority California, RB, Series A (FGIC), 5.00%, 9/15/33 | 6,655 | 6,705,312 |
| | | 193,332,801 |
| Total Municipal Bonds — 113.3% | | 660,843,593 |

See Notes to Financial Statements.

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BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| Municipal Bonds Transferred to Tender Option Bond Trusts (b) | Par (000) | Value |
|--|--------------|---------------|
| California — 58.9% | | |
| Corporate — 7.1% | | |
| San Francisco Bay Area Rapid Transit District, Refunding RB, Series A (NPFGC), 5.00%, 7/01/30 | \$ 23,100 | \$ 23,930,214 |
| University of California, RB, Limited Project, Series B (AGM), 5.00%, 5/15/33 | 17,397 | 17,462,666 |
| | | 41,392,880 |
| County/City/Special District/School District — 23.8% | | |
| Contra Costa Community College District California, GO, Election of 2002 (NPFGC), 5.00%, 8/01/28 | 7,800 | 7,954,596 |
| Desert Community College District California, GO, Series C (AGM), 5.00%, 8/01/37 | 16,530 | 16,580,912 |
| Foothill-De Anza Community College District, GO, Series C, 5.00%, 8/01/40 | 10,000 | 10,245,300 |
| Los Angeles Community College District California, GO: Election of 2001, Series A (NPFGC), 5.00%, 8/01/32 | 6,647 | 6,806,594 |
| Election of 2003, Series E (AGM), 5.00%, 8/01/31 | 11,216 | 11,490,308 |
| Election of 2008, Series A, 6.00%, 8/01/33 | 9,596 | 10,690,670 |
| Ohlone Community College District, GO, Ohlone, Series B (AGM), 5.00%, 8/01/30 | 16,518 | 16,769,502 |
| Poway Unified School District, GO, Election of 2002, Improvement District 02, Series 1-B (AGM), 5.00%, 8/01/30 | 10,000 | 10,177,000 |
| San Bernardino Community College District California, GO, Election of 2002, Series C (AGM), 5.00%, 8/01/31 | 17,770 | 17,981,641 |
| San Diego Community College District California, GO, Election of 2002 (AGM), 5.00%, 5/01/30 | 12,549 | 12,867,081 |
| San Francisco Bay Area Transit Financing Authority, Refunding RB, Series A (NPFGC), 5.00%, 7/01/34 | 2,499 | 2,541,909 |
| San Jose Financing Authority, Refunding RB, Civic Center Project, Series B (AMBAC), 5.00%, 6/01/32 | 14,800 | 14,807,400 |
| | | 138,912,913 |
| Education — 8.6% | | |
| Chaffey Community College District, GO, Election | | |

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| | | |
|--|--------|------------|
| of 2002, Series B (NPFGC), 5.00%, 6/01/30 | 9,905 | 10,063,441 |
| Los Rios Community College District, GO, Election | | |
| of 2008, Series A, 5.00%, 8/01/35 | 11,000 | 11,071,280 |
| Riverside Community College District, GO, Election | | |
| of 2004, Series C (NPFGC), 5.00%, 8/01/32 | 8,910 | 9,025,206 |
| University of California, RB: | | |
| Limited Project, Series D (AGM), 5.00%, 5/15/41 | 8,000 | 7,901,680 |
| Series O, 5.75%, 5/15/34 | 11,190 | 12,100,195 |
| | | 50,161,802 |

Transportation — 1.7%

| | | |
|--|--------|------------|
| San Mateo County Transportation Authority, Refunding RB, Series A (NPFGC), 5.00%, 6/01/32 | 10,000 | 10,156,300 |
|--|--------|------------|

Utilities — 17.7%

| | | |
|--|--------|------------|
| City of Napa California, RB (AMBAC), 5.00%, 5/01/35 | 9,100 | 9,226,490 |
| East Bay Municipal Utility District, RB, Sub-Series A (NPFGC), 5.00%, 6/01/35 | 12,070 | 12,306,210 |
| East Bay Municipal Utility District, Refunding RB, Sub-Series A (AMBAC), 5.00%, 6/01/37 | 14,510 | 14,840,683 |
| Los Angeles Department of Water & Power, RB (AGM): Power System, Sub-Series A-1, 5.00%, 7/01/31 | 4,993 | 5,088,406 |
| System, Sub-Series A-2, 5.00%, 7/01/35 | 7,500 | 7,594,275 |
| Metropolitan Water District of Southern California, RB, Series A (AGM), 5.00%, 7/01/35 | 12,870 | 13,098,571 |
| Rancho Water District Financing Authority, Refunding RB, Series A (AGM), 5.00%, 8/01/34 | 5,008 | 5,091,062 |
| Sacramento Regional County Sanitation District, RB, Sacramento Regional County Sanitation (NPFGC), 5.00%, 12/01/36 | 4,500 | 4,567,275 |

Municipal Bonds Transferred to

Tender Option Bond Trusts (b)

California (concluded)

Utilities (concluded)

| | Par (000) | Value |
|--|--------------|---------------|
| San Diego County Water Authority, COP, Refunding: Series 2002-A (NPFGC), 5.00%, 5/01/32 | \$ 10,000 | \$ 10,074,400 |
| Series 2008-A (AGM), 5.00%, 5/01/33 | 16,740 | 17,094,553 |
| San Diego County Water Authority, COP, Series A (AGM), 5.00%, 5/01/31 | 4,000 | 4,070,880 |
| | | 103,052,805 |

Total Municipal Bonds Transferred to

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| | | |
|---|---------------|----------------|
| Tender Option Bond Trusts — 58.9% | | 343,676,700 |
| Total Long-Term Investments | | |
| (Cost — \$994,611,514) — 172.2% | | 1,004,520,293 |
| Short-Term Securities | Shares | |
| BIF California Municipal Money Fund, 0.00% (c)(d) | 7,347,551 | 7,347,551 |
| Total Short-Term Securities | | 7,347,551 |
| (Cost — \$7,347,551) — 1.2% | | |
| Total Investments (Cost — \$1,001,959,065*) — 173.4% | | 1,011,867,844 |
| Other Assets Less Liabilities — 0.9% | | 5,103,624 |
| Liability for TOB Trust Certificates, Including Interest | | |
| Expense and Fees Payable — (30.8)% | | (179,567,102) |
| AMPS, at Redemption Value — (43.5)% | | (254,004,237) |
| Net Assets Applicable to Common Shares — 100.0% | | \$ 583,400,129 |

* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2011, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|---------------|
| Aggregate cost | \$821,963,442 |
| Gross unrealized appreciation | \$ 15,344,737 |
| Gross unrealized depreciation | (4,883,491) |
| Net unrealized appreciation | \$ 10,461,246 |

(a) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty | Value | Unrealized Appreciation |
|--------------------------|--------------|------------------------------------|
| Citigroup Global Markets | \$5,083,950 | \$ 150 |

(b) Securities represent bonds transferred to a TOB in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(c) Investments in companies considered to be an affiliate of the Fund during the year, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate | Shares Held at July 31, 2010 | Net Activity | Shares Held at July 31, 2011 | Income |
|---|---|-------------------------|---|---------------|
| BIF California Municipal Money Fund | 71,270,966 | (63,923,415) | 7,347,551 | \$ 5,739 |

(d) Represents the current yield as of report date.

For Fund compliance purposes, the Fund's sector classifications refer to any one

or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

See Notes to Financial Statements.

BlackRock MuniHoldings California Quality Fund, Inc. (MUC) Schedule of Investments (concluded)

•Fair Value Measurements — Various inputs are used in determining the fair value of investments. These inputs are categorized in three broad levels for financial statement purposes as follows:

- Level 1 — price quotations in active markets/exchanges for identical assets and liabilities
- Level 2 — other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)
- Level 3 — unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments)

The categorization of a value determined for investments is based on the pricing transparency of the investment and does not necessarily correspond to the Fund's perceived risk of investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the inputs used as of July 31, 2011 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|--------------------------|--------------|-----------------|---------|-----------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term | | | | |
| Investments ¹ | — | \$1,004,520,293 | — | \$1,004,520,293 |
| Short-Term | | | | |
| Securities | \$ 7,347,551 | — | — | 7,347,551 |
| Total | \$ 7,347,551 | \$1,004,520,293 | — | \$1,011,867,844 |

¹ See above Schedule of Investments for values in each sector.

See Notes to Financial Statements.

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JULY 31, 2011

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BlackRock MuniHoldings New Jersey Quality Fund, Inc. (MUJ)

Schedule of Investments July 31, 2011

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|------------------------|
| Municipal Bonds | | |
| New Jersey — 135.3% | | |
| Corporate — 1.7% | | |
| New Jersey EDA, RB, Disposal, Waste Management of New Jersey, Series A, Mandatory Put Bonds, AMT, 5.30%, 6/01/15 (a) | \$ 2,500 | \$ 2,697,725 |
| New Jersey EDA, Refunding RB, New Jersey American Water Co., Inc. Project, Series A, AMT, 5.70%, 10/01/39 | 2,500 | 2,526,125 5,223,850 |
| County/City/Special District/School District — 19.3% | | |
| Borough of Hopatcong New Jersey, GO, Refunding, Sewer (AMBAC), 4.50%, 8/01/33 | 2,690 | 2,717,626 |
| City of Perth Amboy New Jersey, GO, CAB (AGM) (b): | | |
| 5.09%, 7/01/32 | 4,605 | 4,470,258 |
| 5.10%, 7/01/33 | 1,395 | 1,347,040 |
| 5.14%, 7/01/37 | 1,470 | 1,396,118 |
| County of Middlesex New Jersey, COP (NPFGC): | | |
| 5.25%, 6/15/23 | 1,550 | 1,554,387 |
| Refunding, 5.50%, 8/01/16 | 1,375 | 1,380,569 |
| County of Union New Jersey, GO: | | |
| 4.00%, 3/01/29 | 2,590 | 2,544,934 |
| 4.00%, 3/01/30 | 2,590 | 2,533,357 |
| 4.00%, 3/01/31 | 2,925 | 2,824,555 |
| East Orange Board of Education, COP (AGM), 5.50%, 8/01/12 | 2,800 | 2,860,956 |
| Edgewater Borough Board of Education, GO (AGM): | | |
| 4.25%, 3/01/34 | 1,235 | 1,264,442 |
| 4.25%, 3/01/35 | 1,300 | 1,324,336 |
| 4.30%, 3/01/36 | 1,370 | 1,390,810 |
| Essex County Improvement Authority, LRB, County Correctional Facility Project, Series A (FGIC), 5.00%, 10/01/13 (c) | 4,400 | 4,830,232 |
| Essex County Improvement Authority, Refunding RB: Consolidated (AMBAC), 5.25%, 12/15/18 | 1,000 | 1,161,240 |

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| | | |
|---|-------|------------|
| Project Consolidation (NPFGC), 5.50%, 10/01/27 | 250 | 284,688 |
| Project Consolidation (NPFGC), 5.50%, 10/01/28 | 4,840 | 5,482,897 |
| Hudson County Improvement Authority, RB: County Secured, County Services Building Project (AGM), 5.00%, 4/01/27 | 750 | 781,500 |
| Harrison Parking Facility Project, Series C (AGC), 5.25%, 1/01/39 | 2,000 | 2,075,800 |
| Harrison Parking Facility Project, Series C (AGC), 5.38%, 1/01/44 | 3,600 | 3,757,500 |
| Middlesex County Improvement Authority, RB, Senior Citizens Housing Project, AMT (AMBAC), 5.50%, 9/01/30 | 500 | 500,080 |
| Monmouth County Improvement Authority, Refunding RB, Governmental Loan (AMBAC): 5.35%, 12/01/17 | 5 | 5,015 |
| 5.38%, 12/01/18 | 5 | 5,016 |
| Morristown Parking Authority, RB (NPFGC): 5.00%, 8/01/30 | 1,830 | 1,913,906 |
| 5.00%, 8/01/33 | 3,000 | 3,092,490 |
| New Jersey State Transit Corp., COP, Subordinate, Federal Transit Administration Grants, Series A (AGM), 5.00%, 9/15/21 | 2,000 | 2,068,540 |
| Newark Housing Authority, Refunding RB, Newark Redevelopment Project (NPFGC), 4.38%, 1/01/37 | 620 | 571,770 |
| Salem County Improvement Authority, RB, Finlaw Street Office Building (AGM), 5.38%, 8/15/28 | 400 | 411,300 |
| South Jersey Port Corp., Refunding RB: 4.50%, 1/01/15 | 3,750 | 3,883,987 |
| 4.50%, 1/01/16 | 1,920 | 1,980,384 |
| | | 60,415,733 |

| | Par | |
|--|----------|--------------|
| | (000) | Value |
| Municipal Bonds | | |
| New Jersey (continued) | | |
| Education — 18.3% | | |
| New Jersey EDA, RB, International Center For Public Health Project, University of Medicine and Dentistry (AMBAC), 6.00%, 6/01/32 | \$ 5,000 | \$ 5,001,550 |
| New Jersey EDA, RB, School Facilities Construction, School Facilities Construction, Series Y, | | |

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| | | |
|--|-------|------------|
| 5.00%, 9/01/33 | 3,000 | 3,021,210 |
| New Jersey Educational Facilities Authority, RB: Montclair State University, Series A (AMBAC), 5.00%, 7/01/21 | 1,200 | 1,275,960 |
| Montclair State University, Series A (AMBAC), 5.00%, 7/01/22 | 2,880 | 3,035,059 |
| Richard Stockton College, Series F (NPFGC), 5.00%, 7/01/31 | 2,625 | 2,643,086 |
| Rowan University, Series C (NPFGC), 5.00%, 7/01/14 (c) | 3,260 | 3,673,857 |
| Rowan University, Series C (NPFGC), 5.13%, 7/01/14 (c) | 3,615 | 4,087,011 |
| New Jersey Educational Facilities Authority, Refunding RB: College of New Jersey, Series D (AGM), 5.00%, 7/01/35 | 9,740 | 9,864,672 |
| Montclair State University, Series J (NPFGC), 4.25%, 7/01/30 | 3,775 | 3,568,017 |
| New Jersey Institute of Technology, Series H, 5.00%, 7/01/31 | 3,000 | 3,056,100 |
| Ramapo College, Series I (AMBAC), 4.25%, 7/01/31 | 1,250 | 1,163,925 |
| Ramapo College, Series I (AMBAC), 4.25%, 7/01/36 | 900 | 787,095 |
| Rowan University, Series B, 5.00%, 7/01/15 | 335 | 374,135 |
| Stevens Institute of Technology, Series A, 5.00%, 7/01/27 | 2,800 | 2,775,640 |
| Stevens Institute of Technology, Series A, 5.00%, 7/01/34 | 900 | 830,718 |
| William Paterson University, Series C (AGC), 5.00%, 7/01/28 | 250 | 261,745 |
| William Paterson University, Series C (AGC), 4.75%, 7/01/34 | 4,000 | 4,056,400 |
| Rutgers-State University of New Jersey, Refunding RB, Series F, 5.00%, 5/01/39 | 1,000 | 1,030,380 |
| University of Medicine & Dentistry of New Jersey, COP (NPFGC), 5.00%, 6/15/29 | 2,000 | 2,000,940 |
| University of Medicine & Dentistry of New Jersey, RB, Series A (AMBAC), 5.50%, 12/01/27 | 4,740 | 4,770,478 |
| | | 57,277,978 |
| Health — 16.3% | | |
| New Jersey Health Care Facilities Financing Authority, RB: AHS Hospital Corp., 6.00%, 7/01/41 | 3,080 | 3,237,265 |
| Greystone Park Psychiatric Hospital (AMBAC), | | |

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| | | |
|---|--------|------------|
| 5.00%, 9/15/23 | 10,775 | 11,139,303 |
| Meridian Health, Series I (AGC), 5.00%, 7/01/38 | 765 | 761,603 |
| Meridian Health, Series II (AGC), 5.00%, 7/01/38 | 6,360 | 6,331,761 |
| Meridian Health, Series V (AGC), 5.00%, 7/01/38 | 3,950 | 3,932,462 |
| South Jersey Hospital, 6.00%, 7/01/12 (c) | 5,440 | 5,725,872 |
| Virtua Health (AGC), 5.50%, 7/01/38 | 3,035 | 3,127,143 |
| New Jersey Health Care Facilities Financing Authority, Refunding RB: | | |
| AHS Hospital Corp., Series A (AMBAC), 6.00%, 7/01/13 (d) | 4,000 | 4,413,800 |
| Atlantic City Medical Center, 5.75%, 7/01/12 (c) | 1,525 | 1,602,363 |
| Atlantic City Medical Center, 6.25%, 7/01/17 (c) | 925 | 955,118 |
| Atlantic City Medical Center, 5.75%, 7/01/25 | 1,975 | 1,998,305 |
| Hackensack University Medical (AGM), 4.63%, 1/01/30 | 5,480 | 5,330,725 |

See Notes to Financial Statements.

BlackRock MuniHoldings New Jersey Quality Fund, Inc. (MUJ)

Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|--------------|
| Municipal Bonds | | |
| New Jersey (continued) | | |
| Health (concluded) | | |
| New Jersey Health Care Facilities Financing Authority, Refunding RB (concluded): | | |
| Hackensack University Medical Center (AGC), 5.13%, 1/01/27 | \$ 1,500 | \$ 1,557,660 |
| Meridian Health System Obligation Group (AGM), 5.38%, 7/01/24 | 1,000 | 1,000,930 |
| | | 51,114,310 |
| Housing — 6.0% | | |
| New Jersey State Housing & Mortgage Finance Agency, RB: | | |
| Capital Fund Program, Series A (AGM), 4.70%, 11/01/25 | 10,320 | 10,466,854 |
| Series A, AMT (NPFGC), 4.85%, 11/01/39 | 935 | 827,559 |
| Series AA, 6.50%, 10/01/38 | 2,350 | 2,544,627 |
| Series B (AGM), 1.10%, 5/01/12 | 2,850 | 2,854,360 |
| New Jersey State Housing & Mortgage Finance Agency, Refunding RB, S/F Housing, Series T, AMT, 4.70%, 10/01/37 | | |
| | 745 | 696,039 |
| Newark Housing Authority, RB, South Ward Police Facility (AGC): | | |
| 5.75%, 12/01/30 | 850 | 908,505 |
| 6.75%, 12/01/38 | 500 | 565,945 |
| | | 18,863,889 |
| State — 42.0% | | |
| Garden State Preservation Trust, RB (AGM): | | |
| CAB, Series B, 5.12%, 11/01/23 (e) | 9,000 | 5,229,090 |
| CAB, Series B, 5.20%, 11/01/25 (e) | 10,000 | 5,137,500 |
| Election of 2005, Series A, 5.80%, 11/01/21 | 1,960 | 2,281,126 |
| Election of 2005, Series A, 5.80%, 11/01/23 | 2,730 | 3,135,214 |
| Garden State Preservation Trust, Refunding RB, Series C (AGM): | | |
| 5.25%, 11/01/20 | 5,000 | 5,988,450 |

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| | | |
|---|--------|------------|
| 5.25%, 11/01/21 | 7,705 | 9,251,702 |
| New Jersey EDA, RB: | | |
| Cigarette Tax, 5.63%, 6/15/19 | 1,000 | 1,000,320 |
| Cigarette Tax (Radian), 5.75%, 6/15/29 | 2,000 | 1,982,220 |
| Cigarette Tax (Radian), 5.50%, 6/15/31 | 585 | 550,614 |
| Cigarette Tax (Radian), 5.75%, 6/15/34 | 1,180 | 1,126,534 |
| Liberty State Park Project, Series C (AGM), | | |
| 5.00%, 3/01/22 | 2,670 | 2,853,322 |
| Motor Vehicle Surcharge, Series A (NPFGC), | | |
| 5.25%, 7/01/24 | 1,785 | 1,916,858 |
| Motor Vehicle Surcharge, Series A (NPFGC), | | |
| 5.25%, 7/01/25 | 4,000 | 4,256,480 |
| Motor Vehicle Surcharge, Series A (NPFGC), | | |
| 5.25%, 7/01/26 | 7,500 | 7,996,725 |
| Motor Vehicle Surcharge, Series A (NPFGC), | | |
| 5.25%, 7/01/33 | 11,105 | 11,290,787 |
| Motor Vehicle Surcharge, Series A (NPFGC), | | |
| 5.00%, 7/01/34 | 2,000 | 2,005,300 |
| School Facilities Construction, Series L (AGM), | | |
| 5.00%, 3/01/30 | 9,000 | 9,105,570 |
| School Facilities Construction, Series O, | | |
| 5.25%, 3/01/23 | 1,420 | 1,485,235 |
| School Facilities Construction, Series Z (AGC), | | |
| 6.00%, 12/15/34 | 2,800 | 3,015,516 |
| School Facilities, Series U (AMBAC), | | |
| 5.00%, 9/01/37 | 2,000 | 2,000,940 |
| New Jersey EDA, Refunding RB: | | |
| New Jersey American Water Co., Inc. Project, | | |
| Series B, AMT, 5.60%, 11/01/34 | 2,150 | 2,182,486 |
| School Facilities Construction, Series N-1 (NPFGC), | | |
| 5.50%, 9/01/27 | 1,000 | 1,096,690 |

| | Par (000) | Value |
|---|--------------|--------------|
| Municipal Bonds | | |
| New Jersey (continued) | | |
| State (concluded) | | |
| New Jersey Educational Facilities Authority, RB, Higher Education Capital Improvement, Series A (AMBAC), | | |
| 5.13%, 9/01/12 (c) | \$ 5,500 | \$ 5,792,160 |
| New Jersey Sports & Exposition Authority, RB, Series A | | |

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| | | |
|---|--------|-------------|
| (NPFGC), 6.00%, 3/01/13 | 2,400 | 2,410,632 |
| New Jersey Sports & Exposition Authority, Refunding RB (NPFGC): | | |
| 5.50%, 3/01/21 | 5,890 | 6,539,137 |
| 5.50%, 3/01/22 | 3,150 | 3,467,835 |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System: | | |
| CAB, Series C (AGM), 4.73%, 12/15/32 (e) | 4,050 | 1,090,220 |
| CAB, Series C (AMBAC), 5.05%, 12/15/35 (e) | 1,400 | 296,338 |
| CAB, Series C (AMBAC), 5.05%, 12/15/36 (e) | 5,500 | 1,085,370 |
| Series A (AGC), 5.63%, 12/15/28 | 2,000 | 2,123,060 |
| New Jersey Transportation Trust Fund Authority, Refunding RB, Transportation System: | | |
| Series A (AGM), 5.25%, 12/15/20 | 10,750 | 12,219,417 |
| Series B (NPFGC), 5.50%, 12/15/21 | 9,165 | 10,460,931 |
| State of New Jersey, COP, Equipment Lease Purchase, Series A, 5.25%, 6/15/27 | 1,080 | 1,115,802 |
| | | 131,489,581 |
| Tobacco — 1.7% | | |
| Tobacco Settlement Financing Corp. New Jersey, RB, 7.00%, 6/01/13 | 4,755 | 5,330,307 |
| Transportation — 25.8% | | |
| Delaware River Port Authority, RB (AGM): | | |
| Port District Project, Series B, 5.63%, 1/01/26 | 2,425 | 2,427,740 |
| Series D, 5.00%, 1/01/40 | 3,700 | 3,714,985 |
| Delaware River Port Authority Pennsylvania & New Jersey, RB (AGM): | | |
| 5.50%, 1/01/12 | 5,000 | 5,020,500 |
| 5.63%, 1/01/13 | 6,000 | 6,024,420 |
| New Jersey State Turnpike Authority, RB, Growth & Income Securities, Series B (AMBAC), 1/01/15 (e) | 7,615 | 6,240,188 |
| New Jersey State Turnpike Authority, Refunding RB: | | |
| Series A (AGM), 5.25%, 1/01/26 | 4,900 | 5,589,332 |
| Series A (AGM), 5.25%, 1/01/29 | 2,000 | 2,270,880 |
| Series A (AGM), 5.25%, 1/01/30 | 4,000 | 4,496,360 |
| Series A (BHAC), 5.25%, 1/01/29 | 500 | 573,100 |
| Series C (NPFGC), 6.50%, 1/01/16 | 910 | 1,083,746 |
| Series C (NPFGC), 6.50%, 1/01/16 (d) | 4,355 | 4,865,101 |
| Series C-2005 (NPFGC), 6.50%, 1/01/16 (d) | 255 | 313,778 |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A (NPFGC), | | |

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| | | |
|--|--------|------------|
| 5.75%, 6/15/24 | 1,205 | 1,374,158 |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A: | | |
| 6.00%, 6/15/35 | 4,365 | 4,841,833 |
| (AGM), 5.50%, 12/15/22 | 150 | 170,751 |
| (AMBAC), 5.00%, 12/15/32 | 1,425 | 1,445,890 |
| Port Authority of New York & New Jersey, RB: | | |
| Consolidated 163rd Series, 5.00%, 7/15/39 | 4,000 | 4,119,320 |
| JFK International Air Terminal, 6.00%, 12/01/42 | 2,500 | 2,529,150 |
| Special Project, JFK International Air Terminal, Series 6, AMT (NPFGC), 6.25%, 12/01/11 | 13,500 | 13,651,335 |
| Special Project, JFK International Air Terminal, Series 6, AMT (NPFGC), 6.25%, 12/01/15 | 1,500 | 1,593,090 |
| Special Project, JFK International Air Terminal, Series 6, AMT (NPFGC), 5.75%, 12/01/25 | 3,000 | 2,917,050 |
| Port Authority of New York & New Jersey, Refunding RB, Consolidated, 152nd Series, AMT, 5.75%, 11/01/30 | 5,175 | 5,557,536 |
| | | 80,820,243 |

See Notes to Financial Statements.

ANNUAL REPORT

JULY 31, 2011

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BlackRock MuniHoldings New Jersey Quality Fund, Inc. (MUJ)

Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|--------------------|
| Municipal Bonds | | |
| New Jersey (concluded) | | |
| Utilities — 4.2% | | |
| Essex County Utilities Authority, Refunding RB (AGC): | | |
| 4.00%, 4/01/12 | \$ 1,000 | \$ 1,023,920 |
| 4.13%, 4/01/22 | 2,000 | 2,075,200 |
| New Jersey EDA, RB, New Jersey American Water Co., Inc. | | |
| Project, Series A, AMT (AMBAC), 5.25%, 11/01/32 | 3,000 | 3,001,650 |
| North Hudson Sewerage Authority, Refunding RB, | | |
| Series A (NPFGC), 5.13%, 8/01/20 | 4,335 | 4,687,132 |
| Rahway Valley Sewerage Authority, RB, CAB, Series A | | |
| (NPFGC), 4.79%, 9/01/28 (e) | 6,600 | 2,445,894 |
| | | 13,233,796 |
| Total Municipal Bonds in New Jersey | | 423,769,687 |
| Guam — 0.6% | | |
| Utilities — 0.6% | | |
| Guam Power Authority, Refunding RB, Series A (AGM), | | |
| 5.00%, 10/01/37 | 1,860 | 1,835,802 |
| Puerto Rico — 11.3% | | |
| County/City/Special District/School District — 2.8% | | |
| Puerto Rico Sales Tax Financing Corp., RB, First | | |
| Sub-Series A, 6.00%, 8/01/42 | 2,500 | 2,612,950 |
| Puerto Rico Sales Tax Financing Corp., Refunding RB, | | |
| First Sub-Series C (AGM), 5.13%, 8/01/42 | 6,120 | 6,135,300 |
| | | 8,748,250 |
| Health — 1.1% | | |
| Puerto Rico Industrial Tourist Educational Medical | | |
| & Environmental Control Facilities Financing Authority, | | |
| RB, Series A: | | |
| Hospital Auxilio Mutuo Obligation Group (NPFGC), | | |
| 6.25%, 7/01/24 | 1,780 | 1,782,688 |
| Hospital De La Concepcion, 6.50%, 11/15/20 | | |
| | 1,750 | 1,771,280 |
| | | 3,553,968 |
| Housing — 1.5% | | |
| Puerto Rico Housing Finance Authority, Refunding RB, | | |

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| | | |
|---|-------|-----------|
| Subordinate, Capital Fund Modernization, 5.13%, 12/01/27 | 4,500 | 4,583,700 |
| State — 1.6% | | |
| Commonwealth of Puerto Rico, GO, Refunding, Public Improvement, Series C, 6.00%, 7/01/39 | 2,080 | 2,123,201 |
| Puerto Rico Commonwealth Infrastructure Financing Authority, RB, CAB, Series A (AMBAC), 4.37%, 7/01/37 (e) | 4,000 | 628,880 |
| Puerto Rico Public Buildings Authority, Refunding RB, Government Facilities, Series M-3 (NPFGC), 6.00%, 7/01/27 | 2,125 | 2,241,599 |
| | | 4,993,680 |
| Transportation — 1.3% | | |
| Puerto Rico Highway & Transportation Authority, Refunding RB, Series CC (AGC), 5.50%, 7/01/31 | 3,750 | 3,974,850 |

| | Par (000) | Value |
|--|--------------|--------------|
| Municipal Bonds | | |
| Puerto Rico (concluded) | | |
| Utilities — 3.0% | | |
| Puerto Rico Aqueduct & Sewer Authority, RB, Senior Lien, Series A (AGC), 5.13%, 7/01/47 | \$ 4,120 | \$ 4,060,548 |
| Puerto Rico Electric Power Authority, RB, Series RR (CIFG), 5.00%, 7/01/28 | 4,100 | 4,030,915 |
| Puerto Rico Electric Power Authority, Refunding RB, Series VV (NPFGC), 5.25%, 7/01/26 | 1,325 | 1,359,490 |
| | | 9,450,953 |
| Total Municipal Bonds in Puerto Rico | | 35,305,401 |
| Total Municipal Bonds — 147.2% | | 460,910,890 |

**Municipal Bonds Transferred to
Tender Option Bond Trusts (f)**

| | | |
|--|-------|------------|
| New Jersey — 7.1% | | |
| Housing — 1.6% | | |
| New Jersey State Housing & Mortgage Finance Agency, RB, Capital Fund Program, Series A (AGM), 5.00%, 5/01/27 | 4,790 | 5,109,829 |
| State — 3.5% | | |
| Garden State Preservation Trust, RB, Election of 2005, Series A (AGM), 5.75%, 11/01/28 | 9,160 | 10,986,687 |
| Transportation — 2.0% | | |

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Port Authority of New York & New Jersey, Refunding RB,

| | | |
|---|---------------|---------------|
| Consolidated, 152nd Series, AMT, 5.25%, 11/01/35 | 5,998 | 6,123,930 |
| Total Municipal Bonds Transferred to Tender Option Bond Trusts — 7.1% | | 22,220,446 |
| Total Long-Term Investments (Cost — \$472,908,437) — 154.3% | | 483,131,336 |
| Short-Term Securities | Shares | |
| BIF New Jersey Municipal Money Fund, 0.04% (g)(h) | 9,941,803 | 9,941,803 |
| Total Short-Term Securities (Cost — \$9,941,803) — 3.2% | | 9,941,803 |
| Total Investments (Cost — \$482,850,240*) — 157.5% | | 493,073,139 |
| Other Assets Less Liabilities — 1.9% | | 5,982,531 |
| Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable — (4.2)% | | (13,271,754) |
| VRDP Shares, at Liquidation Value — (55.2)% | | (172,700,000) |
| Net Assets Applicable to Common Shares — 100.0% | | \$313,083,916 |

* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2011, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|---------------|
| Aggregate cost | \$469,810,516 |
| Gross unrealized appreciation | \$ 14,473,808 |
| Gross unrealized depreciation | (4,474,115) |
| Net unrealized appreciation | \$ 9,999,693 |

See Notes to Financial Statements.

BlackRock MuniHoldings New Jersey Quality Fund, Inc. (MUJ)
Schedule of Investments (concluded)

- (a) Variable rate security. Rate shown is as of report date.
- (b) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (c) US government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (d) Security is collateralized by Municipal or US Treasury obligations.
- (e) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (f) Securities represent bonds transferred to a TOB in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (g) Investments in companies considered to be an affiliate of the Fund during the year, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate | Shares Held at July 31, 2010 | Net Activity | Shares Held at July 31, 2011 | Income |
|---|---|-------------------------|---|---------------|
| BIF New Jersey Municipal Money Fund | 1,117,529 | 8,824,274 | 9,941,803 | \$ 2,629 |

- (h) Represents the current yield as of report date.
- For Fund compliance purposes, the Fund's sector classifications refer to any one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

•Financial futures contracts sold as of July 31, 2011 were as follows:

| Contracts | Issue | Exchange | Expiration | Notional Value | Unrealized Depreciation |
|------------------|-----------------------------|---------------------------|-------------------|---------------------------|------------------------------------|
| 112 | 10-Year US Treasury Note | Chicago Board of Trade | September 2011 | \$13,732,037 | \$ (344,963) |

•Fair Value Measurements — Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized in three broad levels for financial statement purposes as follows:

- Level 1 — price quotations in active markets/exchanges for identical assets and liabilities

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•Level 2 — other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

•Level 3 — unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Fund's perceived risk of investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of July 31, 2011 in determining the fair valuation of the Fund's investments and derivative financial instruments:

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|--------------------------|---------------------|-----------------------|----------|-----------------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term | | | | |
| Investments ¹ | — | \$ 483,131,336 | — | \$ 483,131,336 |
| Short-Term | | | | |
| Securities | \$ 9,941,803 | — | — | 9,941,803 |
| Total | \$ 9,941,803 | \$ 483,131,336 | — | \$ 493,073,139 |

¹ See above Schedule of Investments for values in each sector.

| Valuation Inputs Level 1 | Level 2 | Level 3 | Total |
|---|--------------|---------|--------------|
| Derivate Financial Instruments ² | | | |
| Liabilities: | | | |
| Interest rate | | | |
| contracts | \$ (344,963) | — | \$ (344,963) |

² Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

BlackRock MuniYield Investment Quality Fund (MFT)**Schedule of Investments** July 31, 2011

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|--------------|
| Municipal Bonds | | |
| Alabama — 4.3% | | |
| Birmingham Special Care Facilities Financing Authority, RB, Children's Hospital (AGC): | | |
| 6.13%, 6/01/34 | \$ 1,500 | \$ 1,630,500 |
| 6.00%, 6/01/39 | 2,985 | 3,193,562 |
| | | 4,824,062 |
| Arizona — 0.4% | | |
| State of Arizona, COP, Dept Administration, Series A (AGM), 5.25%, 10/01/28 | 480 | 502,354 |
| California — 18.3% | | |
| California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38 | 1,960 | 2,058,941 |
| California Health Facilities Financing Authority, Refunding RB, Sutter Health, Series B, 6.00%, 8/15/42 | 1,150 | 1,225,072 |
| California State Public Works Board, RB, Various Capital Projects, Series G-1 (AGC), 5.25%, 10/01/24 | 2,000 | 2,148,880 |
| California State University, RB, Systemwide, Series A (AGM), 5.00%, 11/01/39 | 1,000 | 993,930 |
| County of Sacramento California, RB, Senior, Series A (AGC), 5.50%, 7/01/41 | 1,400 | 1,423,282 |
| Los Angeles Community College District California, GO: Election of 2001, Series A (FGIC), 5.00%, 8/01/32 | 2,780 | 2,846,553 |
| Election of 2008, Series C, 5.25%, 8/01/39 | 1,000 | 1,051,250 |
| Redondo Beach Unified School District, GO, Election of 2008, Series E, 5.50%, 8/01/34 | 1,000 | 1,057,540 |
| San Bernardino Community College District, GO, Election of 2002, Series A, 6.25%, 8/01/33 | 840 | 937,642 |
| San Diego Public Facilities Financing Authority, Refunding RB, Series B (AGC), 5.38%, 8/01/34 | 1,020 | 1,073,836 |
| San Jacinto Unified School District, GO, Election of 2006 (AGM), 5.25%, 8/01/32 | 1,000 | 1,022,710 |
| San Jose California Apartment Revenue, 6.25%, 3/01/34 | 1,250 | 1,298,300 |
| State of California, GO, Various Purpose (AGC), | | |

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| | | |
|-----------------|-------|------------|
| 5.50%, 11/01/39 | 3,450 | 3,574,648 |
| | | 20,712,584 |

Colorado — 1.5%

| | | |
|--|-------|-----------|
| Colorado Health Facilities Authority, RB, Hospital | | |
| NCMC Inc. Project, Series B (AGM), 6.00%, 5/15/26 | 1,300 | 1,441,869 |
| Regional Transportation District, COP, Series A, 5.00%, 6/01/25 | 305 | 316,453 |
| | | 1,758,322 |

Florida — 11.8%

| | | |
|---|-------|-----------|
| City of Gainesville Florida, Refunding RB, Series C, 5.25%, 10/01/34 | 2,000 | 2,093,200 |
| County of Lee Florida, RB, Series A, AMT (AGM), 6.00%, 10/01/29 | 1,000 | 1,002,260 |
| County of Osceola Florida, RB, Series A (FGIC), 5.50%, 10/01/27 | 1,100 | 1,113,475 |
| Florida Housing Finance Corp., HRB, Brittany Rosemont Apartments, Series C-1, AMT (AMBAC), 6.75%, 8/01/14 | 500 | 501,120 |
| Jacksonville Economic Development Commission, RB, Mayo Clinic, Series B (NPFGC), 5.50%, 11/15/36 | 750 | 755,423 |
| Manatee County Housing Finance Authority, RB, Series A, AMT (Fannie Mae), 5.90%, 9/01/40 | 550 | 597,196 |
| Santa Rosa County School Board, COP, Refunding, Series 2 (NPFGC), 5.25%, 2/01/26 | 780 | 798,509 |
| South Broward Hospital District, RB, Hospital (NPFGC), 5.63%, 5/01/12 (a) | 3,000 | 3,149,760 |
| St. Lucie West Services District, RB (NPFGC), 5.25%, 10/01/34 | 1,000 | 961,070 |
| Village Center Community Development District, RB, Series A (NPFGC): 5.38%, 11/01/34 | 1,640 | 1,427,177 |
| 5.13%, 11/01/36 | 1,000 | 830,410 |

| | Par (000) | Value |
|---|--------------|------------|
| Municipal Bonds | | |
| Florida (concluded) | | |
| Volusia County IDA, RB, Student Housing-Stetson University Project, Series A (CIFG), 5.00%, 6/01/35 \$ | 200 | \$ 166,616 |
| | | 13,396,216 |

Georgia — 2.7%

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| | | |
|--|-------|-----------|
| Augusta-Richmond County Georgia, RB (AGM), 5.25%, 10/01/39 | 1,000 | 1,025,440 |
| County of Fulton Georgia, RB (FGIC), 5.25%, 1/01/35 | 1,000 | 1,028,640 |
| Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41 | 1,000 | 1,010,820 |
| | | 3,064,900 |

Illinois — 15.2%

| | | |
|---|-------|------------|
| Chicago Board of Education Illinois, GO, Refunding, Chicago School Reform Board, Series A (FGIC), 5.50%, 12/01/26 | 680 | 707,574 |
| Chicago Transit Authority, RB, Federal Transit Administration Section 5309, Series A (AGC), 6.00%, 6/01/26 | 1,400 | 1,561,392 |
| City of Chicago Illinois, RB: General, Third Lien, Series A, 5.75%, 1/01/39 | 770 | 803,526 |
| General, Third Lien, Series C (AGC), 5.25%, 1/01/35 | 785 | 798,321 |
| City of Chicago Illinois, Refunding RB: General, Third Lien, Series C, 6.50%, 1/01/41 | 3,680 | 4,049,877 |
| Second Lien (NPFGC), 5.50%, 1/01/30 | 895 | 949,711 |
| Illinois Finance Authority, Refunding RB, Carle Foundation, Series A, 6.00%, 8/15/41 | 1,555 | 1,568,948 |
| Illinois Municipal Electric Agency, RB, Series A (FGIC): 5.25%, 2/01/28 | 1,565 | 1,624,767 |
| 5.25%, 2/01/35 | 1,000 | 1,011,900 |
| Railsplitter Tobacco Settlement Authority, RB: 5.50%, 6/01/23 | 940 | 973,887 |
| 6.00%, 6/01/28 | 270 | 278,060 |
| State of Illinois, RB: (AGM), 5.00%, 6/15/27 | 1,000 | 1,024,350 |
| Build Illinois, Series B, 5.25%, 6/15/28 | 1,750 | 1,849,225 |
| | | 17,201,538 |

Indiana — 4.3%

| | | |
|---|-------|-----------|
| Indiana Municipal Power Agency, RB, Series A (NPFGC), 5.00%, 1/01/42 | 1,485 | 1,471,174 |
| Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38 | 3,310 | 3,461,532 |
| | | 4,932,706 |

Iowa — 0.7%

Iowa Finance Authority, Refunding RB, Iowa Health

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| | | |
|--|-------|-----------|
| System (AGC), 5.25%, 2/15/29 | 725 | 752,398 |
| Louisiana — 1.9% | | |
| Louisiana State Citizens Property Insurance Corp., RB, Series C-3 (AGC), 6.13%, 6/01/25 | 1,405 | 1,536,115 |
| New Orleans Aviation Board Louisiana, Refunding RB, Restructuring GARB (AGC): | | |
| Series A-1, 6.00%, 1/01/23 | 375 | 424,800 |
| Series A-2, 6.00%, 1/01/23 | 160 | 181,248 |
| | | 2,142,163 |
| Michigan — 18.0% | | |
| City of Detroit Michigan, RB: | | |
| Second Lien, Series B (AGM), 6.25%, 7/01/36 | 1,800 | 1,960,344 |
| Second Lien, Series B (AGM), 7.00%, 7/01/36 | 200 | 229,554 |
| Second Lien, Series B (FGIC), 5.50%, 7/01/29 | 1,640 | 1,662,173 |
| Senior Lien, Series B (AGM), 7.50%, 7/01/33 | 1,500 | 1,768,545 |
| Senior Lien, Series B (BHAC), 5.50%, 7/01/35 | 3,750 | 3,821,062 |
| System, Second Lien, Series A (BHAC), 5.50%, 7/01/36 | 2,265 | 2,315,849 |

See Notes to Financial Statements.

BlackRock MuniYield Investment Quality Fund (MFT) Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|--------------|
| Municipal Bonds | | |
| Michigan (concluded) | | |
| City of Detroit Michigan, Refunding RB: | | |
| Second Lien, Series E (BHAC), 5.75%, 7/01/31 | \$ 2,270 | \$ 2,386,088 |
| Senior Lien, Series C-1 (AGM), 7.00%, 7/01/27 | 1,650 | 1,937,875 |
| Michigan State Building Authority, RB, Facilities Program, Series H (AGM), 5.00%, 10/15/26 | 375 | 394,830 |
| Michigan State Building Authority, Refunding RB, Facilities Program, Series I (AGC): | | |
| 5.25%, 10/15/22 | 1,350 | 1,493,411 |
| 5.25%, 10/15/24 | 615 | 667,330 |
| 5.25%, 10/15/25 | 310 | 333,994 |
| Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39 | 1,265 | 1,460,430 |
| | | 20,431,485 |
| Minnesota — 2.9% | | |
| City of Minneapolis Minnesota, Refunding RB, Series B (AGC), 6.50%, 11/15/38 | 3,000 | 3,268,140 |
| Nevada — 6.2% | | |
| Clark County Water Reclamation District, GO, Series A, 5.25%, 7/01/34 | 2,000 | 2,085,420 |
| County of Clark Nevada, RB: Las Vegas-McCarran International Airport, Series A (AGM), 5.25%, 7/01/39 | 2,000 | 2,010,720 |
| Subordinate Lien, Series A-2 (FGIC), 5.00%, 7/01/36 | 3,000 | 2,937,090 |
| | | 7,033,230 |
| New Jersey — 1.3% | | |
| New Jersey Health Care Facilities Financing Authority, RB, Virtua Health (AGC), 5.50%, 7/01/38 | 1,400 | 1,442,504 |
| New York — 5.6% | | |
| New York City Municipal Water Finance Authority, RB: Second General Resolution, Series EE, 5.38%, 6/15/43 | 1,455 | 1,543,450 |

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| | | |
|---|-------|-----------|
| Series FF-2, 5.50%, 6/15/40 | 1,545 | 1,652,779 |
| New York City Transitional Finance Authority, RB, Fiscal 2009: | | |
| Series S-3, 5.25%, 1/15/39 | 1,000 | 1,038,720 |
| Series S-4 (AGC), 5.50%, 1/15/29 | 2,000 | 2,158,380 |
| | | 6,393,329 |
| Ohio — 1.4% | | |
| Ohio Higher Educational Facility Commission, Refunding RB, Summa Health System, 2010 Project (AGC), 5.25%, 11/15/40 | 1,650 | 1,621,042 |
| Pennsylvania — 5.8% | | |
| City of Philadelphia Pennsylvania, RB, Series C (AGM): 5.00%, 8/01/35 | 1,615 | 1,639,564 |
| 5.00%, 8/01/40 | 2,880 | 2,904,941 |
| Pennsylvania Turnpike Commission, RB, Sub-Series A, 6.00%, 12/01/41 | 2,000 | 2,082,100 |
| | | 6,626,605 |
| Puerto Rico — 1.3% | | |
| Puerto Rico Sales Tax Financing Corp., RB, First Sub, Series A, 6.38%, 8/01/39 | 1,425 | 1,528,683 |
| Texas — 24.7% | | |
| Austin Community College District, RB, Educational Facilities Project, Round Rock Campus, 5.25%, 8/01/33 | 2,250 | 2,331,292 |
| City of Austin Texas, Refunding RB, Series A (AGM): 5.00%, 11/15/28 | 720 | 763,330 |
| 5.00%, 11/15/29 | 915 | 962,159 |

| Municipal Bonds | Par (000) | Value |
|--|----------------------|--------------|
| Texas (concluded) | | |
| City of Houston Texas, Refunding RB, Combined, First Lien, Series A (AGC): | | |
| 6.00%, 11/15/35 | \$ 2,700 | \$ 3,004,830 |
| 6.00%, 11/15/36 | 2,055 | 2,276,961 |
| 5.38%, 11/15/38 | 1,000 | 1,052,220 |
| Clifton Higher Education Finance Corp., Refunding RB, Baylor University, 5.25%, 3/01/32 | 1,235 | 1,308,421 |
| County of Bexar Texas, RB, Venue Project, Motor Vehicle Rental (BHAC): | | |

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| | | |
|--|-------|-------------|
| 5.00%, 8/15/27 | 1,040 | 1,098,698 |
| 5.00%, 8/15/28 | 1,090 | 1,144,707 |
| Dallas Area Rapid Transit, Refunding RB, Senior Lien, 5.25%, 12/01/38 | 2,310 | 2,401,014 |
| Frisco ISD Texas, GO, School Building (AGC), 5.50%, 8/15/41 | 1,210 | 1,281,668 |
| Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B, 7.25%, 12/01/35 | 500 | 553,790 |
| Lubbock Cooper ISD Texas, GO, School Building (AGC), 5.75%, 2/15/42 | 500 | 525,880 |
| North Texas Tollway Authority, RB: Special Projects System, Series A, 5.50%, 9/01/41 | 2,120 | 2,249,680 |
| System, First Tier, Series K-1 (AGC), 5.75%, 1/01/38 | 1,400 | 1,453,830 |
| North Texas Tollway Authority, Refunding RB, System, First Tier: (AGM), 6.00%, 1/01/43 | 1,000 | 1,064,310 |
| Series A (AGC), 5.75%, 1/01/40 | 1,500 | 1,551,105 |
| Series A (NPFGC), 5.13%, 1/01/28 | 1,780 | 1,817,487 |
| Tarrant County Cultural Education Facilities Finance Corp., Refunding RB, Christus Health, Series A (AGC), 6.50%, 7/01/37 | 1,100 | 1,168,299 |
| | | 28,009,681 |
| Utah — 0.9% | | |
| City of Riverton Utah, RB, IHC Health Services Inc., 5.00%, 8/15/41 | 1,000 | 1,000,630 |
| Virginia — 1.1% | | |
| Virginia Public School Authority, RB, School Financing, 6.50%, 12/01/35 | 1,100 | 1,233,936 |
| Washington — 1.6% | | |
| City of Seattle Washington, Refunding RB, Series A, 5.25%, 2/01/36 | 1,000 | 1,057,480 |
| State of Washington, GO, Various Purpose, Series B, 5.25%, 2/01/36 | 725 | 772,451 |
| | | 1,829,931 |
| Total Municipal Bonds — 131.9% | | 149,706,439 |
| Municipal Bonds Transferred to Tender Option Bond Trusts (b) | | |
| Alabama — 1.3% | | |
| Mobile Board of Water & Sewer Commissioners, RB (NPFGC), 5.00%, 1/01/31 | 1,500 | 1,528,515 |

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California — 2.3%

San Diego Community College District California, GO,

| | | |
|--|-------|-----------|
| Election of 2002 (AGM), 5.00%, 5/01/30 | 2,500 | 2,563,425 |
|--|-------|-----------|

District of Columbia — 0.8%

District of Columbia Water & Sewer Authority, RB,

| | | |
|---------------------------|-----|---------|
| Series A, 6.00%, 10/01/35 | 750 | 860,365 |
|---------------------------|-----|---------|

See Notes to Financial Statements

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BlackRock MuniYield Investment Quality Fund (MFT) Schedule of Investments (concluded)

(Percentages shown are based on Net Assets)

| Municipal Bonds Transferred to Tender Option Bond Trusts (b) | Par (000) | Value |
|---|--------------|--------------|
| Florida — 4.1% | | |
| City of Jacksonville Florida, RB, Better Jacksonville (NPFGC), 5.00%, 10/01/27 | \$ 1,320 | \$ 1,341,635 |
| Hillsborough County Aviation Authority, RB, Series A, AMT (AGC), 5.50%, 10/01/38 | 2,499 | 2,478,177 |
| Lee County Housing Finance Authority, RB, Multi-County Program, Series A-2 (Ginnie Mae), 6.00%, 9/01/40 | 735 | 810,235 |
| | | 4,630,047 |
| Illinois — 2.7% | | |
| Chicago Transit Authority, Refunding RB, Federal Transit Administration Section 5309 (AGM), 5.00%, 6/01/28 | 2,999 | 3,020,028 |
| Kentucky — 0.9% | | |
| Kentucky State Property & Building Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27 | 1,002 | 1,075,838 |
| Nevada — 3.9% | | |
| Clark County Water Reclamation District, GO: Limited Tax, 6.00%, 7/01/38 | 2,010 | 2,203,804 |
| Series B, 5.50%, 7/01/29 | 1,994 | 2,167,537 |
| | | 4,371,341 |
| New Jersey — 2.4% | | |
| New Jersey EDA, RB, School Facilities Construction, Series Z (AGC), 6.00%, 12/15/34 | 1,000 | 1,076,970 |
| New Jersey State Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29 | 1,620 | 1,664,584 |
| | | 2,741,554 |
| New York — 5.8% | | |
| New York City Municipal Water Finance Authority, RB, Series FF-2, 5.50%, 6/15/40 | 1,095 | 1,171,084 |
| New York State Dormitory Authority, ERB, Series B, 5.25%, 3/15/38 | 3,250 | 3,409,997 |
| New York State Thruway Authority, RB, Series G (AGM), 5.00%, 1/01/32 | 2,000 | 2,048,520 |
| | | 6,629,601 |
| Texas — 2.5% | | |

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City of San Antonio Texas, Refunding RB, Series A,

| | | |
|--|---------------|---------------|
| 5.25%, 2/01/31 | 2,609 | 2,808,628 |
| Total Municipal Bonds Transferred to Tender Option Bond Trusts — 26.7% | | 30,229,342 |
| Total Long-Term Investments (Cost — \$174,391,559) — 158.6% | | 179,935,781 |
| Short-Term Securities | Shares | |
| FII Institutional Tax-Exempt Fund, 0.01% (c)(d) | 6,706,791 | 6,706,791 |
| Total Short-Term Securities (Cost — \$6,706,791) — 5.9% | | 6,706,791 |
| Total Investments (Cost — \$181,098,350*) — 164.5% | | 186,642,572 |
| Liabilities in Excess of Other Assets — (0.9)% | | (1,001,611) |
| Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable — (13.8)% | | (15,691,042) |
| AMPS, at Redemption Value — (49.8)% | | (56,527,127) |
| Net Assets Applicable to Common Shares — 100.0% | | \$113,422,792 |

* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2011, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|---------------|
| Aggregate cost | \$165,447,947 |
| Gross unrealized appreciation | \$ 6,335,218 |
| Gross unrealized depreciation | (820,323) |
| Net unrealized appreciation | \$ 5,514,895 |

(a) US government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.

(b) Securities represent bonds transferred to a TOB in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(c) Investments in companies considered to be an affiliate of the Fund during the year, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate | Shares Held at July 31, 2010 | Net Activity | Shares Held at July 31, 2011 | Income |
|--------------------------------------|------------------------------------|-----------------|------------------------------------|----------|
| FII Institutional Tax-Exempt Fund | 8,124,572 | (1,417,781) | 6,706,791 | \$ 5,621 |

(d) Represents the current yield as of report date.

•Financial futures contracts sold as of July 31, 2011 were as follows:

| | |
|----------|------------|
| Notional | Unrealized |
|----------|------------|

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| Contracts | Issue | Exchange | Expiration | Value | Depreciation |
|-----------|--------------------------|------------------------|----------------|-------------|--------------|
| 30 | 10-Year US Treasury Note | Chicago Board of Trade | September 2011 | \$3,673,302 | \$ (97,323) |

•Fair Value Measurements — Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized in three broad levels for financial statement purposes as follows:

- Level 1 — price quotations in active markets/exchanges for identical assets and liabilities
- Level 2 — other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)
- Level 3 — unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Funds' perceived risk of investing in those securities. For information about the Funds' policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of July 31, 2011 in determining the fair valuation of the Fund's investments and derivative financial instruments:

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|--------------------------|--------------|----------------|---------|----------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term | | | | |
| Investments ¹ | — | \$ 179,935,781 | — | \$ 179,935,781 |
| Short-Term | | | | |
| Securities | \$ 6,706,791 | — | — | 6,706,791 |
| Total | \$ 6,706,791 | \$ 179,935,781 | — | \$ 186,642,572 |

¹ See above Schedule of Investments for values in each state or political subdivision.

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|---|---------|-------------|---------|-------------|
| Derivate Financial Instruments ² | | | | |
| Liabilities: | | | | |
| Interest rate | | | | |
| contracts | — | \$ (97,323) | — | \$ (97,323) |

² Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

Schedule of Investments July 31, 2011

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|--------------------------|
| Municipal Bonds | | |
| Michigan — 137.5% | | |
| Corporate — 10.9% | | |
| Delta County EDC, Refunding RB, Mead Westvaco- Escanaba, Series B, AMT, 6.45%, 4/15/12 (a) | \$ 1,500 | \$ 1,565,280 |
| Dickinson County EDC Michigan, Refunding RB, International Paper Co. Project, Series A, 5.75%, 6/01/16 | 3,900 | 3,942,510 |
| Michigan Strategic Fund, Refunding RB, Detroit Edison Co. Project, Series A, AMT (NPFGC), 5.55%, 9/01/29 | 10,250 | 10,253,280 |
| Monroe County EDC Michigan, Refunding RB, Detroit Edison Co. Project, Series AA (NPFGC), 6.95%, 9/01/22 | 10,695 | 13,304,152 29,065,222 |
| County/City/Special District/School District — 39.7% | | |
| Adrian City School District Michigan, GO (AGM) (a): 5.00%, 5/01/14 | 2,000 | 2,237,780 |
| 5.00%, 5/01/14 | 1,600 | 1,790,224 |
| Avondale School District Michigan, GO (AGC): 4.00%, 5/01/20 | 1,000 | 1,015,300 |
| 4.30%, 5/01/22 | 400 | 408,180 |
| Bay City School District Michigan, GO, School Building & Site (AGM), 5.00%, 5/01/36 | 6,115 | 6,168,567 |
| Birmingham City School District Michigan, GO, School Building & Site (AGM), 5.00%, 11/01/33 | 1,000 | 1,012,800 |
| Charter Township of Canton Michigan, GO, Capital Improvement (AGM): 5.00%, 4/01/25 | 1,840 | 1,918,034 |
| 5.00%, 4/01/26 | 2,000 | 2,076,820 |
| 5.00%, 4/01/27 | 500 | 516,660 |
| City of Oak Park Michigan, GO, Street Improvement (NPFGC), 5.00%, 5/01/30 | 500 | 513,360 |
| Comstock Park Public Schools, GO, School Building & Site, Series B (Q-SBLF): | | |

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| | | |
|--|-------|-----------|
| 5.50%, 5/01/36 | 750 | 771,030 |
| 5.50%, 5/01/41 | 1,355 | 1,390,894 |
| County of Genesee Michigan, GO, Refunding, Series A (NPFGC), 5.00%, 5/01/19 | 600 | 648,690 |
| County of Genesee Michigan, GO, Water Supply System (NPFGC), 5.13%, 11/01/33 | 1,000 | 1,004,670 |
| County of Wayne Michigan, GO (NPFGC): Airport Hotel, Detroit Metropolitan Airport, Series A, 5.00%, 12/01/30 | 1,750 | 1,640,555 |
| Building Authority, Capital Improvement, Series A, 5.25%, 6/01/16 | 845 | 848,219 |
| Dearborn Brownfield Redevelopment Authority, GO, Limited Tax, Redevelopment, Series A (AGC), 5.50%, 5/01/39 | 3,300 | 3,406,854 |
| Detroit City School District Michigan, GO, School Building & Site Improvement (FGIC): Series A, 5.38%, 5/01/13 (a) | 1,300 | 1,412,944 |
| Series B, 5.00%, 5/01/28 | 3,100 | 3,047,982 |
| Eaton Rapids Public Schools Michigan, GO, School Building & Site (AGM): 5.25%, 5/01/20 | 1,325 | 1,439,149 |
| 5.25%, 5/01/21 | 1,675 | 1,814,125 |
| Gibraltar School District Michigan, GO, School Building & Site: (FGIC), 5.00%, 5/01/14 (a) | 2,940 | 3,289,537 |
| (NPFGC), 5.00%, 5/01/28 | 710 | 722,368 |
| Grand Blanc Community Schools Michigan, GO (NPFGC), 5.63%, 5/01/20 (a) | 1,100 | 1,115,290 |
| Grand Rapids Building Authority Michigan, RB, Series A (AMBAC) (a): 5.50%, 10/01/12 | 435 | 461,713 |
| 5.50%, 10/01/12 | 600 | 636,846 |

| | Par (000) | Value |
|---|--------------|------------|
| Municipal Bonds | | |
| Michigan (continued) | | |
| County/City/Special District/School District (concluded) | | |
| Gull Lake Community School District, GO, Refunding (AGM), 4.00%, 5/01/26 | \$ 995 | \$ 972,155 |
| Gull Lake Community School District Michigan, GO, | | |

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| | | |
|---|-------|-----------|
| School Building & Site (AGM), 5.00%, 5/01/14 (a) | 3,625 | 4,063,407 |
| Harper Creek Community School District Michigan, GO, Refunding (AGM), 5.00%, 5/01/22 | 1,125 | 1,208,228 |
| Harper Woods School District Michigan, GO, Refunding, School Building & Site (NPFGC), 5.00%, 5/01/34 | 430 | 433,156 |
| Hudsonville Public Schools, GO, School Building & Site (Q-SBLF), 5.25%, 5/01/41 | 1,000 | 1,014,410 |
| Jenison Public Schools Michigan, GO, Building & Site (NPFGC), 5.50%, 5/01/12 (a) | 1,575 | 1,638,284 |
| L'Anse Creuse Public Schools Michigan, GO, School Building & Site (AGM): | | |
| 5.00%, 5/01/12 | 650 | 672,094 |
| 5.00%, 5/01/24 | 1,000 | 1,056,020 |
| 5.00%, 5/01/25 | 1,525 | 1,596,080 |
| 5.00%, 5/01/26 | 1,600 | 1,664,416 |
| 5.00%, 5/01/35 | 3,000 | 3,024,270 |
| Lansing Building Authority Michigan, GO, Series A (NPFGC), 5.38%, 6/01/13 (a) | 1,510 | 1,648,860 |
| Lincoln Consolidated School District Michigan, GO, Refunding (NPFGC), 4.63%, 5/01/28 | 5,000 | 5,030,400 |
| Livonia Public Schools School District Michigan, GO, Refunding, Series A (NPFGC), 5.00%, 5/01/24 | 1,000 | 1,018,840 |
| Michigan State Building Authority, Facilities, Series I: | | |
| 5.50%, 10/15/11 (a) | 145 | 146,618 |
| 5.50%, 10/15/18 | 2,355 | 2,373,534 |
| Michigan State Building Authority, RB, Facilities Program, Series H (AGM), 5.00%, 10/15/26 | 4,500 | 4,737,960 |
| Michigan State Building Authority, Refunding RB, Facilities Program, Series I (AGM), 5.50%, 10/15/11 | 9,000 | 9,099,000 |
| Montrose Community Schools, GO (NPFGC), 6.20%, 5/01/17 | 1,000 | 1,203,040 |
| New Haven Community Schools Michigan, GO, Refunding, School Building & Site (AGM), 5.00%, 5/01/23 | 1,500 | 1,572,225 |
| Orchard View Schools Michigan, GO, School Building & Site (NPFGC), 5.00%, 11/01/13 (a) | 5,320 | 5,865,885 |
| Pennfield School District Michigan, GO, School Building & Site (a): | | |
| (FGIC), 5.00%, 5/01/14 | 765 | 854,834 |
| (NPFGC), 5.00%, 5/01/14 | 605 | 676,045 |
| Reed City Public Schools Michigan, GO, School Building & Site (AGM), 5.00%, 5/01/14 (a) | 1,425 | 1,597,340 |

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| | | |
|---|-------|-------------|
| Rochester Community School District, GO (NPFGC), 5.00%, 5/01/19 | 435 | 486,587 |
| Southfield Public Schools Michigan, GO, School Building & Site, Series B (AGM), 5.00%, 5/01/14 (a) | 2,000 | 2,241,880 |
| Thornapple Kellogg School District Michigan, GO, School Building & Site (NPFGC), 5.00%, 5/01/32 | 2,500 | 2,544,825 |
| Van Dyke Public Schools Michigan, GO, School Building & Site (AGM), 5.00%, 5/01/28 | 1,250 | 1,299,263 |
| West Bloomfield School District Michigan, GO, Refunding (NPFGC): | | |
| 5.50%, 5/01/17 | 1,710 | 1,752,049 |
| 5.50%, 5/01/18 | 1,225 | 1,250,933 |
| Zeeland Public Schools Michigan, GO, School Building & Site (NPFGC), 5.00%, 5/01/29 | 1,600 | 1,624,544 |
| | | 105,675,773 |
| Education — 8.9% | | |
| Eastern Michigan University, Refunding RB, General (AMBAC), 6.00%, 6/01/20 | 435 | 436,614 |
| Fraser Public School District, GO, School Building & Site (AGM), 5.00%, 5/01/25 | 2,000 | 2,074,520 |

See Notes to Financial Statements.

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BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)
Schedule of Investments (continued)
(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|------------|
| Municipal Bonds | | |
| Michigan (continued) | | |
| Education (concluded) | | |
| Goodrich Area School District, GO, School Building & Site (Q-SBLF): | | |
| 5.50%, 5/01/32 | \$ 600 | \$ 630,930 |
| 5.50%, 5/01/36 | 1,200 | 1,235,496 |
| 5.50%, 5/01/41 | 1,575 | 1,626,487 |
| Grand Valley State University Michigan, RB, General (NPFGC), 5.50%, 2/01/18 | 2,070 | 2,289,896 |
| Michigan Higher Education Facilities Authority, RB, Limited Obligation, Hillsdale College Project, 5.00%, 3/01/35 | 1,875 | 1,775,531 |
| Michigan Higher Education Facilities Authority, Refunding RB, Limited Obligation, Creative Studies (a): | | |
| 5.85%, 6/01/12 | 1,235 | 1,291,365 |
| 5.90%, 6/01/12 | 1,145 | 1,197,739 |
| Michigan Higher Education Student Loan Authority, RB, Student Loan, Series XVII-Q, AMT (AMBAC), 5.00%, 3/01/31 | 3,000 | 2,852,400 |
| Michigan State University, Refunding RB, General, Series C, 5.00%, 2/15/40 | 4,700 | 4,775,012 |
| Saginaw Valley State University Michigan, Refunding RB, General (NPFGC), 5.00%, 7/01/24 | 2,100 | 2,126,649 |
| Western Michigan University, Refunding RB, Refunding RB, General, 5.25%, 11/15/40 | 1,500 | 1,502,235 |
| | | 23,814,874 |
| Health — 20.4% | | |
| Dickinson County Healthcare System, Refunding RB, Series A (ACA), 5.80%, 11/01/24 | 3,100 | 3,112,152 |
| Flint Hospital Building Authority Michigan, Refunding RB (ACA), Hurley Medical Center: | | |
| 6.00%, 7/01/20 | 1,125 | 1,118,801 |
| Series A (ACA), 5.38%, 7/01/20 | 615 | 586,218 |
| Kalamazoo Hospital Finance Authority, RB, Bronson | | |

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| | | |
|--|-------|-----------|
| Methodist Hospital (AGM), 5.25%, 5/15/36 | 4,750 | 4,772,847 |
| Kent Hospital Finance Authority Michigan, RB, Spectrum Health, Series A, 5.00%, 11/15/29 | 4,500 | 4,542,975 |
| Kent Hospital Finance Authority Michigan, Refunding RB, Butterworth, Series A (NPFGC), 7.25%, 1/15/13 (b) | 1,170 | 1,223,469 |
| Michigan State Hospital Finance Authority, RB: Ascension Health Senior Credit Group, 5.00%, 11/15/25 | 3,700 | 3,863,096 |
| Hospital, MidMichigan Obligation Group, Series A (AMBAC), 5.50%, 4/15/18 | 2,530 | 2,567,419 |
| McLaren Health Care, Series C, 5.00%, 8/01/35 | 1,000 | 963,460 |
| MidMichigan Obligation Group, Series A, 5.00%, 4/15/26 | 620 | 618,673 |
| MidMichigan Obligation Group, Series A, 5.00%, 4/15/36 | 3,750 | 3,417,863 |
| Trinity Health Credit, Series C, 5.38%, 12/01/30 | 3,410 | 3,426,129 |
| Michigan State Hospital Finance Authority, Refunding RB: Henry Ford Health System, Series A, 5.25%, 11/15/46 | 2,500 | 2,242,125 |
| Hospital, Crittenton, Series A, 5.63%, 3/01/27 | 2,050 | 2,053,424 |
| Hospital, Oakwood Obligation Group, Series A, 5.00%, 7/15/21 | 600 | 617,700 |
| Hospital, Oakwood Obligation Group, Series A, 5.00%, 7/15/25 | 3,260 | 3,212,632 |
| Hospital, Oakwood Obligation Group, Series A, 5.00%, 7/15/37 | 630 | 563,560 |
| Hospital, Sparrow Obligated, 5.00%, 11/15/31 | 3,100 | 2,962,701 |
| McLaren Health Care, 5.75%, 5/15/38 | 4,500 | 4,608,720 |
| Trinity Health Credit, Series A, 6.25%, 12/01/28 | 930 | 1,015,514 |
| Trinity Health Credit, Series A, 6.50%, 12/01/33 | 1,000 | 1,094,330 |
| Trinity Health Credit, Series C, 5.38%, 12/01/23 | 1,000 | 1,015,600 |
| Trinity Health Credit, Series C, 5.38%, 12/01/30 (a) | 345 | 368,246 |
| Trinity Health Credit, Series D, 5.00%, 8/15/34 | 3,100 | 3,066,458 |

| | Par | |
|-----------------|-------|-------|
| Municipal Bonds | (000) | Value |

Michigan (continued)

Health (concluded)

Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital,

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| | | |
|----------------|----------|--------------|
| 8.25%, 9/01/39 | \$ 1,000 | \$ 1,154,490 |
| | | 54,188,602 |

Housing — 7.2%

Michigan State HDA, RB:

Deaconess Tower AMT (Ginnie Mae),

| | | |
|----------------|-------|---------|
| 5.25%, 2/20/48 | 1,000 | 984,930 |
|----------------|-------|---------|

| | | |
|---------------------------|-------|-----------|
| Series A, 4.75%, 12/01/25 | 4,400 | 4,399,736 |
|---------------------------|-------|-----------|

| | | |
|---------------------------|-------|-----------|
| Series A, 6.00%, 10/01/45 | 6,990 | 6,786,940 |
|---------------------------|-------|-----------|

| | | |
|--|-----|---------|
| Series A, AMT (NPFGC), 5.30%, 10/01/37 | 130 | 129,994 |
|--|-----|---------|

Williams Pavilion, AMT (Ginnie Mae),

| | | |
|----------------|-------|-----------|
| 4.75%, 4/20/37 | 3,850 | 3,652,533 |
|----------------|-------|-----------|

Michigan State HDA, Refunding RB, Series A,

| | | |
|-----------------|-------|-----------|
| 6.05%, 10/01/41 | 3,260 | 3,340,783 |
|-----------------|-------|-----------|

19,294,916

State — 12.3%

Michigan Municipal Bond Authority, RB:

Local Government Loan Program, Group A (AMBAC),

| | | |
|-----------------|-------|-----------|
| 5.50%, 11/01/20 | 1,065 | 1,064,958 |
|-----------------|-------|-----------|

| | | |
|------------------------------------|-------|-----------|
| State Clean Water, 5.00%, 10/01/27 | 1,250 | 1,322,775 |
|------------------------------------|-------|-----------|

Michigan Municipal Bond Authority, Refunding RB, Local

Government, Charter County Wayne, Series B (AGC):

| | | |
|-----------------|-------|-----------|
| 5.00%, 11/01/14 | 2,400 | 2,648,928 |
|-----------------|-------|-----------|

| | | |
|-----------------|-------|-----------|
| 5.00%, 11/01/15 | 1,500 | 1,675,575 |
|-----------------|-------|-----------|

| | | |
|-----------------|-----|---------|
| 5.00%, 11/01/16 | 500 | 568,445 |
|-----------------|-----|---------|

| | | |
|-----------------|-----|---------|
| 5.38%, 11/01/24 | 125 | 135,876 |
|-----------------|-----|---------|

Michigan State Building Authority, Facilities Program,

Refunding RB:

| | | |
|---------------------------|-------|-----------|
| Series I, 6.25%, 10/15/38 | 3,900 | 4,167,423 |
|---------------------------|-------|-----------|

| | | |
|---------------------------|-------|-----------|
| Series I, 5.50%, 10/15/45 | 1,250 | 1,260,575 |
|---------------------------|-------|-----------|

| | | |
|---------------------------------|-------|-----------|
| Series I (AGC), 5.25%, 10/15/24 | 4,000 | 4,340,360 |
|---------------------------------|-------|-----------|

| | | |
|---------------------------------|-------|-----------|
| Series I (AGC), 5.25%, 10/15/25 | 2,000 | 2,154,800 |
|---------------------------------|-------|-----------|

| | | |
|---------------------------------|-----|---------|
| Series I (AGC), 5.25%, 10/15/26 | 600 | 644,196 |
|---------------------------------|-----|---------|

| | | |
|------------------------------------|-------|-----------|
| Series II (NPFGC), 5.00%, 10/15/29 | 3,500 | 3,501,190 |
|------------------------------------|-------|-----------|

Michigan Strategic Fund, RB, Cadillac Place Office

| | | |
|-----------------------------------|-------|-----------|
| Building Project, 5.25%, 10/15/31 | 1,500 | 1,522,395 |
|-----------------------------------|-------|-----------|

| | | |
|--|-------|-----------|
| State of Michigan, RB, GAN (AGM), 5.25%, 9/15/27 | 5,250 | 5,544,840 |
|--|-------|-----------|

| | | |
|---|-------|-----------|
| State of Michigan, COP (AMBAC), 5.55%, 6/01/22 (b)(c) | 3,000 | 2,079,720 |
|---|-------|-----------|

32,632,056

Transportation — 13.5%

Sturgis Building Authority, RB, Sturgis Hospital Project

| | | |
|--------------------------|-----|---------|
| (NPFGC), 4.75%, 10/01/34 | 475 | 437,960 |
|--------------------------|-----|---------|

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Wayne County Airport Authority, RB, Detroit Metropolitan

Wayne County Airport, AMT (NPFGC):

| | | |
|-----------------|-------|-----------|
| 5.25%, 12/01/25 | 7,525 | 7,509,423 |
| 5.25%, 12/01/26 | 6,300 | 6,221,187 |
| 5.00%, 12/01/34 | 9,160 | 8,100,554 |

Wayne County Airport Authority, Refunding RB, AMT (AGC):

| | | |
|-----------------|-------|------------|
| 5.75%, 12/01/25 | 4,000 | 4,122,640 |
| 5.75%, 12/01/26 | 1,000 | 1,024,540 |
| 5.38%, 12/01/32 | 8,700 | 8,457,270 |
| | | 35,873,574 |

Utilities — 24.6%

City of Detroit Michigan, RB:

| | | |
|---|--------|------------|
| Second Lien, Series B (AGM), 7.00%, 7/01/36 | 3,000 | 3,443,310 |
| Second Lien, Series B (NPFGC), 5.00%, 7/01/13 (a) | 1,550 | 1,686,695 |
| Second Lien, Series B (NPFGC), 5.00%, 7/01/34 | 2,420 | 2,201,764 |
| Senior Lien, Series A (AGM), 5.00%, 7/01/25 | 4,000 | 4,003,280 |
| Senior Lien, Series A (NPFGC), 5.00%, 7/01/34 | 6,900 | 6,539,268 |
| Series B (NPFGC), 5.25%, 7/01/13 (a) | 11,790 | 12,886,234 |

See Notes to Financial Statements.

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| Municipal Bonds | Par (000) | Value |
|--|----------------------|---------------|
| Michigan (concluded) | | |
| Utilities (concluded) | | |
| City of Detroit Michigan, Refunding RB: | | |
| Second Lien, Series C (AGM), 5.00%, 7/01/29 | \$ 10,570 | \$ 10,265,056 |
| (FGIC), 6.25%, 7/01/12 (b) | 280 | 293,219 |
| City of Grand Rapids Michigan, RB (NPFGC), | | |
| 5.00%, 1/01/34 | 11,385 | 11,510,918 |
| City of Port Huron Michigan, RB, Water Supply: | | |
| 5.25%, 10/01/31 | 310 | 308,450 |
| 5.63%, 10/01/40 | 1,000 | 982,330 |
| City of Saginaw Michigan, RB, Water Supply, Series A | | |
| (AGM), 5.00%, 7/01/31 | 390 | 390,304 |
| Lansing Board of Water & Light, RB, Series A: | | |
| 5.00%, 7/01/31 | 4,230 | 4,360,030 |
| 5.00%, 7/01/37 | 2,065 | |