

WRITER'S E-MAIL:
pcliff@lobbcliff.com

April 18, 2011

**Via Overnight Mail and
E-Mail - chagan@waterboards.ca.gov**

Catherine Hagan
Senior Staff Counsel
SAN DIEGO REGIONAL WATER QUALITY CONTROL BOARD
9174 Sky Park Court, Suite 100
San Diego, CA 92123-4353

Re: FAIRWAY HILLS ESTATES: STATE WATER BOARD

Our File No.: 7535.000

***Administrative Civil Liability Complaint No. R-2010-0104 issued to Jack Eitzen
38175 Via Vista Grande, Murietta, CA Pursuant to the Revised Final Hearing
Procedure Served April 7, 2011***

Dear Ms. Hagan:

Submission of Evidence and Policy Statements

1. Reggie Ragsdale would like the San Diego Water Board to consider the evidence in Attachment 1, as well as evidence identified in accordance with the Complaint on file herein and its Exhibits.
2. For technical arguments or analysis, see Attachment 2. Otherwise, please note that Mr. Ragsdale is the owner of the property located at 38155 Via Vista Grande. The complaint assesses three violations and seeks to impose nearly \$400,000.00 in penalties based upon an alleged economic benefit of a little over \$50,000.00. As shown in the attached invoices attached with Jack Eitzen's financial disclosures, a considerable sum has been spent in erosion control measures on these properties thus, the economic benefit is probably exaggerated and would have to be offset by the amount expended on the unorthodox and allegedly noncompliant erosion control measures. In any event, the penalty assessed for Violation 3 for the failure to have the adequate BMPs in place is excessive, and should be reduced from \$198,000.00 to \$6,000.00, and Violation 2 for one of the discharges of silt should have employed a per day factor of 0.1 based upon the nature of the discharge a culpability factor of 0.5 since erosion control measures were in place, and the clean up and cooperation factor of 1 is appropriate under the circumstances, leading to a more appropriate penalty assessment of \$1,000.00 for violation 2, and \$12,000.00 for violation 1.

Catherine Hagan

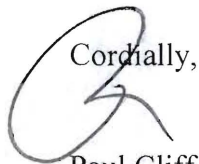
Re: Jack Eitzen: Fairway Hills Estates

April 18, 2011

Page 2

3. For legal analysis consider the following witnesses:
 - (a) Jack Eitzen – Mr. Eitzen will testify with respect to physical configuration of his property, the nature of his erosion control efforts, and his expenditures thereon, and the extent of his financial abilities. Estimated testimony: 1 hr.
 - (b) Reggie Ragsdale – Mr. Ragsdale will testify with respect to physical configuration of his property, the nature of his erosion control efforts, and his expenditures thereon, and the extent of his financial abilities. Estimated testimony: 30 minutes
 - (c) Joe Cota – Mr. Cota will provide expert testimony with respect to the erosion control measures in comparison to applicable standards. Estimated testimony: 1 hr.
 - (d) Rudy Nunez – Mr. Nunez will testify as to the grading design and initial control plan. Estimated testimony: 30 minutes.
4. Joe Cota's qualifications are certified engineering geologist and registered environmental assessor.
5. Reggie Ragsdale intends to argue an inability to pay the civil liability proposed in the Complaint (or an increased or decreased amount as may be imposed by the San Diego Water Board), and submits supporting evidence in Attachment 5.

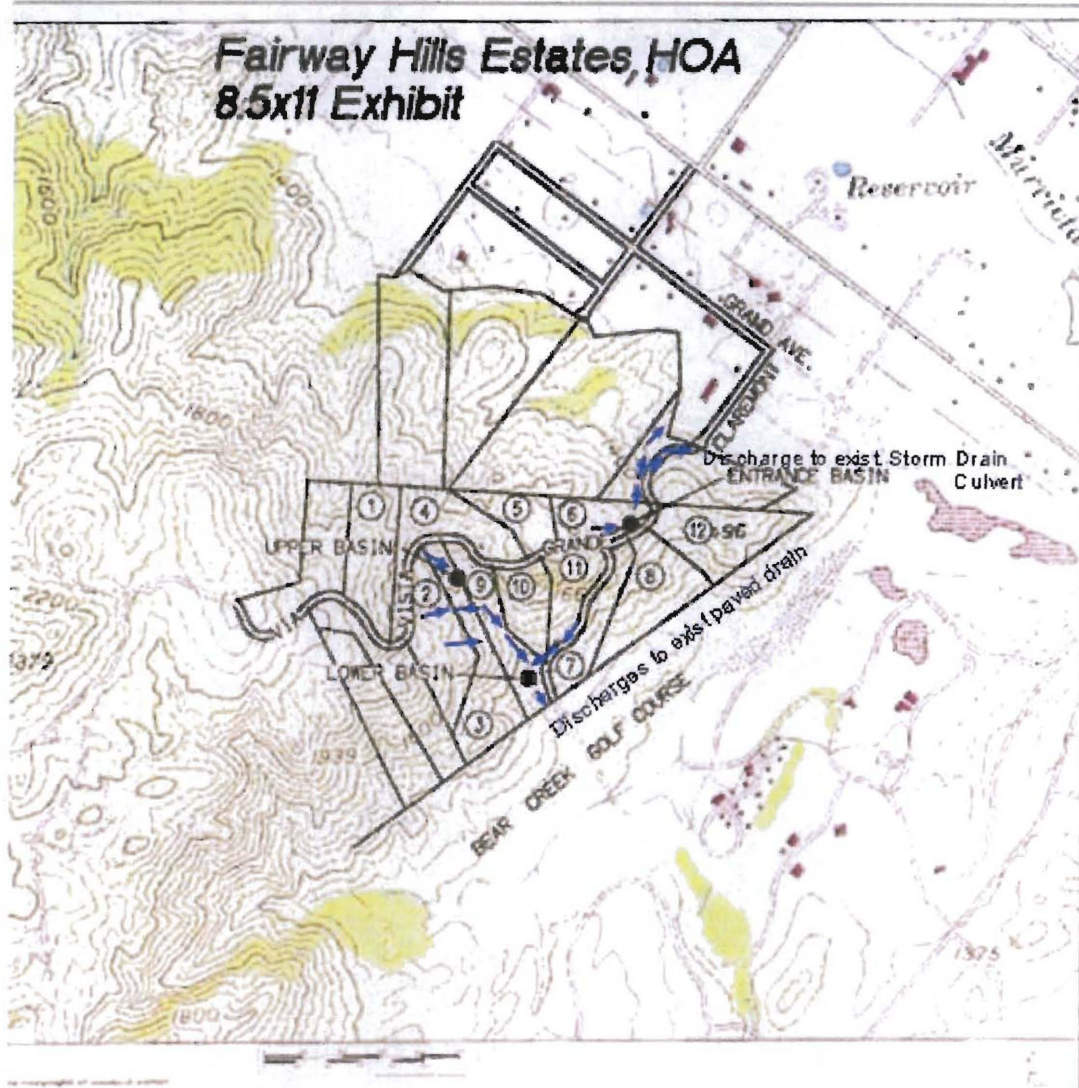
If you have any questions regarding the foregoing, please do not hesitate to contact the undersigned.

Cordially,


Paul Cliff
Lobb & Cliff, LLP

PC/kas
Enclosures

Attachment 1



- | | |
|----------------------------------|--------------------------|
| ① NINEZ WDID 933C349965 | ⑩ PETROL (NO GRADING) |
| ② RAGSDALE WDID 933C338574 | ⑪ FRIESTEDT (NO GRADING) |
| ③ EITZEN WDID 933C338575 | ⑫ ADAMS (NO GRADING) |
| ④ STEVE MAGOULAS WDID 933C350456 | |
| ⑤ STEVE MAGOULAS WDID 933C350455 | |
| ⑥ STEVE MAGOULAS WDID 933C350453 | |
| ⑦ PAUL MAGOULAS WDID 933C357730 | |
| ⑧ PAUL MAGOULAS WDID 933C357733 | |
| ⑨ JEFF FRIESTEDT WDID 933C357764 | |

Site Map- Figure 1



Photo 1. View of Paved Drainage Swale behind 22408 Montes Court



Photo 2. Completed Lower basin. Graded areas to be planted with native vegetation



Photo 3. Stabilized Construction Entrance.



Photo 4. Gravel Chevrons and slope protection, Via Vista Grande.



Photo 4. Looking down unnamed drainage to Lower basin. Kamzi Residence in background.

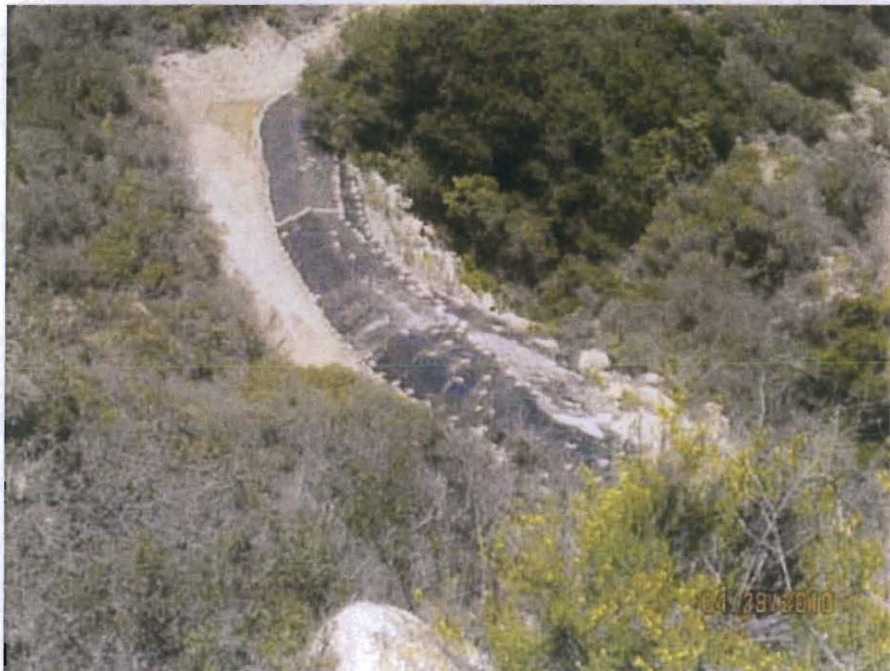


Photo 5. Another view of Lower Basin and watercourse from above

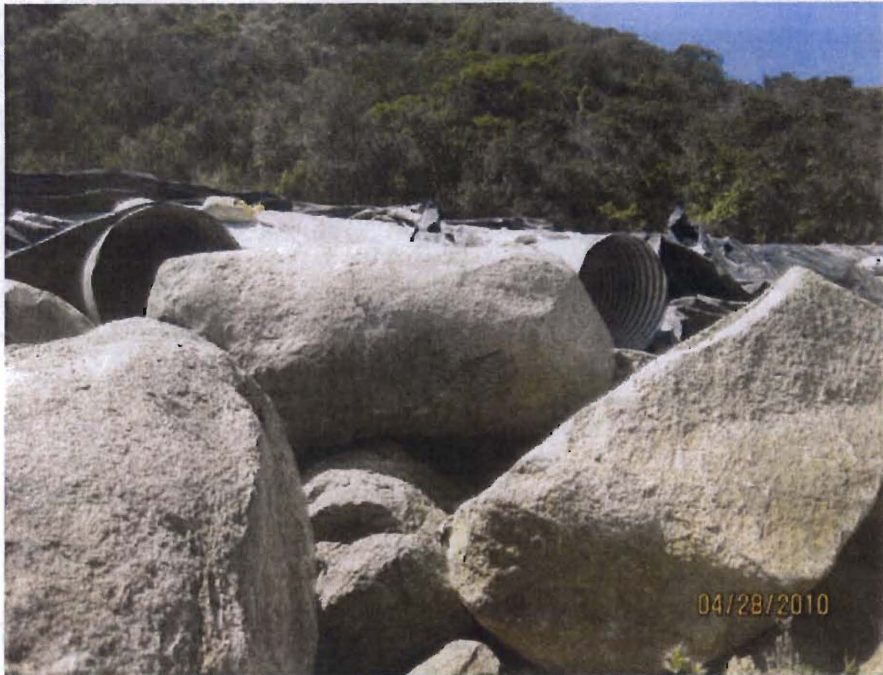


Photo 5. Dissipation Rip-rap below Lower basin outlets



Photo 6. Completed Upper basin looking down from above.

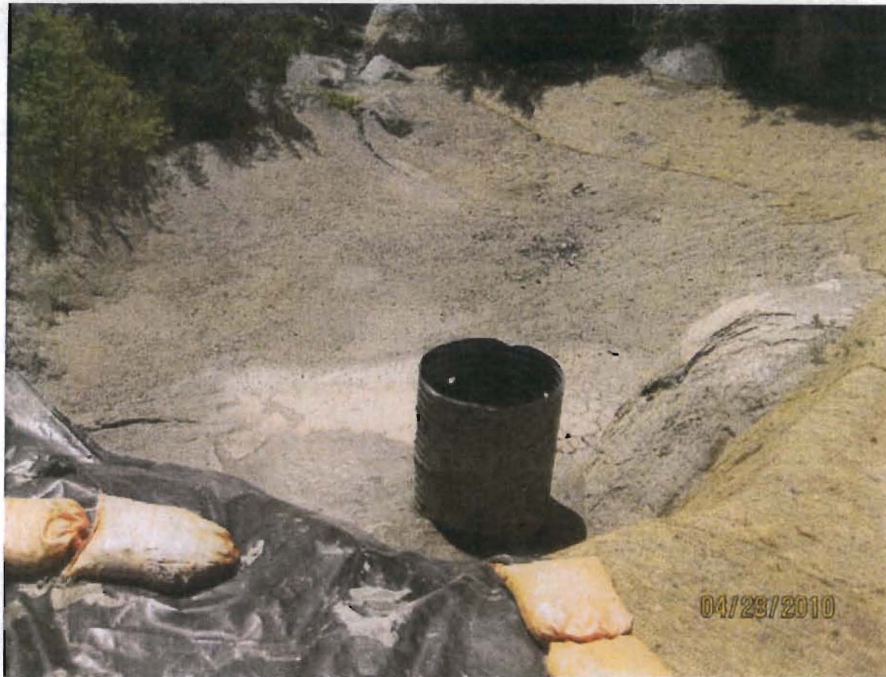


Photo 7. Riser pipe in completed Entrance basin



Photo 8. Looking downstream at the outlet and rip-rap below the Entrance Basin. Note jute netting on slope and undisturbed canyon below

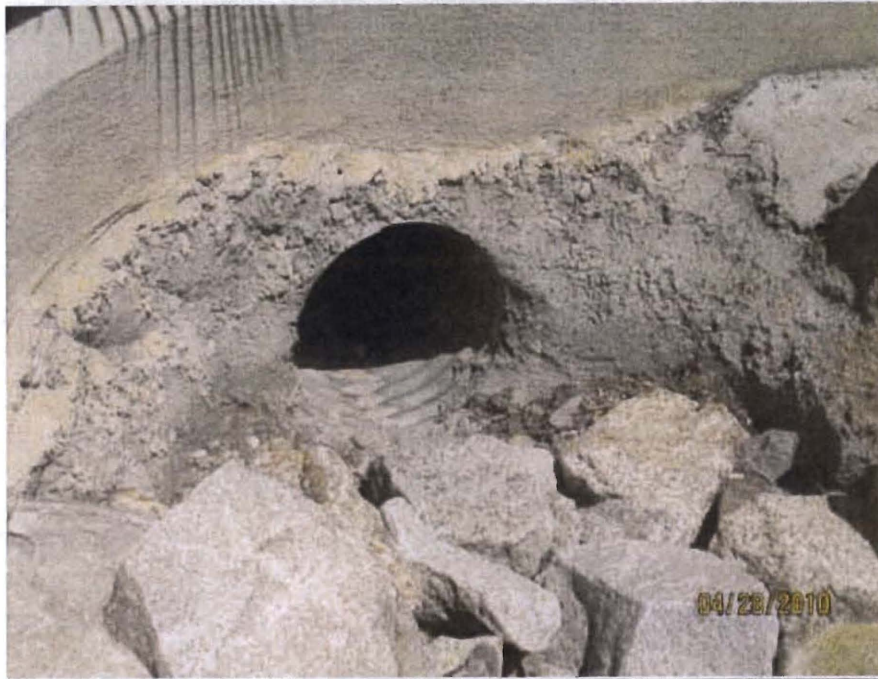


Photo 9. Culvert inlet at Claremont Street which collects Via Vista Grande run off water



Photo 10. Another view of the end of Via Vista Grande and Claremont St.



Photo 11. Graded Eitzen pad (no. 3 on the Site Map). Note temporary detention berm covered with Visqueen at edge of pad.



Photo 12. Eitzen driveway. Note temporary erosion control mat and Visqueen down drain BMP where swale crosses drive.



Photo 13. Nunez driveway BMPs



Photo 14. Nunez pad drainage toward temporary Visqueen-lined outlet.



Photo 15. Looking up Cheeks Road across Lower Basin



Photo 16. Looking down Cheeks Road to Lower Basin. Note erosion control mat and sandbags on inside of road



Photo 17. Looking down driveway to Ragsdale pad (pad 2 on the Site Map)



Photo 18. Slope descending from Ragsdale pad. Note temporary down-drain with Visqueen protection.



Photo 19. Bonded fiber matrix protection of slope descending from pad 7



Photo 20. Graded pad 5



Photo 21. Looking down driveway to pad 8

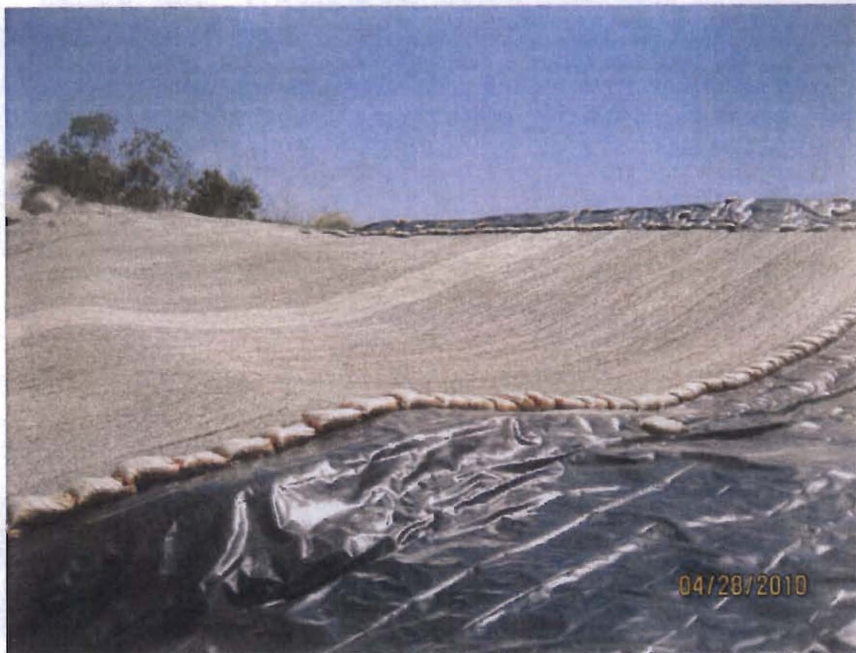


Photo 22. Jute net slope protection and temporary down drain on slope descending from pad 8

APPENDIX C
Receipts for BMP Implementation and Maintenance
And
Letter from Mr. & Mrs. Kaami


Erosion Control Materials Corp

P.O.BOX 3529
RIVERSIDE, CA 92519

Invoice

Date	Invoice #
2/6/2008	1217

Bill To
EITZEN CONSTRUCTION Jack Eitzen

Ship To


P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Inv Mail Date
			2/6/2008			

Quantity	Item Code	Description	U/M	Price Each	Amount
1,000	GB	Gravel Bags Sales Tax	ea	0.15 7.75%	150.00T 11.63

Thank you for your business.	Total	\$161.63
	Payments/Credits	\$-0.01
	Balance Due	\$161.62

Erosion Control Materials Corp appreciates your business.
Our Federal Tax ID is 

Sales Phone #	Sales Fax #	Sales E-mail	Accounting Phone: 951-686-6004
951-571-3213	951-571-3201	ecm@erconusa.com	Accounting Fax: 951-686-6115

BCB Equipment Rental, LLC

32802 Willow Bay Road
Wildomar, CA 92595

Invoice

Date	Invoice #
12/30/2008	1172

Bill To
Eitzen, Jack [REDACTED]

Jobsite
Erosion Via Vista Grande

Terms

Due on receipt

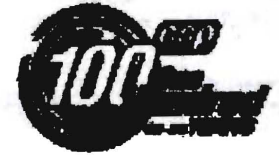
Traker #	Date	Hours/Qty	Description	Rate	Amount
	12/19/2008	4	CAT D8L Dozer	175.00	700.00
		4	CAT 824B Wheel Dozer	175.00	700.00
	12/20/2008	4	CAT D8L Dozer	175.00	700.00
		4	CAT 824B Wheel Dozer	175.00	700.00
			H2O Truck Rental	1,000.00	1,000.00

NOTICE: Under the Mechanics' Lien Law (California Code of Civil Procedure, Section 1181 et seq.), any Contractor, Subcontractor, Laborer, Supplier or other person who helps to improve your property but is not paid for his work or supplies, has a right to enforce a claim against your property. This means that, after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your own Contractor in full, if the Subcontractor, Laborer or Supplier remains unpaid."

Total	\$3,800.00
--------------	------------



INVOICE



PACIFIC CORRUGATED PIPE COMPANY

909-829-4235 800-338-5858

REMIT TO →

P.O. BOX 2480, NEWPORT BEACH, CALIFORNIA 92658-8872

ORIGINAL

INVOICE NUMBER

Customer P.O. Number	Date Shipped	Sl. No.	Ship Via	Invoice Date	Terms	INVOICE NUMBER
VERDAB	09/25/08	92358	JINNY	09/25/08	CASH ON DELIVERY	41865

10000 EITZEN CONSTRUCTION [REDACTED]	SHIP TO	CLINTON KEITH
		EITZEN CONSTRUCTION ON VIA VISTA GRANDE, CROSS ST GRAND/CLAREMONT HWY 15 TO CLINTON KEITH MORRISTA

Order Date	Prod. No.	Tax Status	Salesman	Customer Name	Imp. Payd.	State Contract Number
09/18/08	86725	RIVERSI	9/KAY		NO	

QTY	UNIT	DESCRIPTION	PRICE	TOTAL	STATE CONTRACT
1	EACH	36" CSP .109 INLET H=9'	617.82	617.82	
		TO INCLUDE:			
2	1	9.0' 36" (900mm) CSP .109	9.0		
3	1	2.0' 24" (600mm) CSP .064	2.0		
4	1	EACH LABOR CHARGE TEE	1.0		
5	20	EACH FABRICATION 2" HOLS	20.0		
6	1	EACH 36" CONK GRATE PAINTED	269.10	269.10	
7	1	EACH 36" CSP .109 INLET H=9'	591.18	591.18	
		TO INCLUDE:			
8	1	9.0' 36" (900mm) CSP .109	9.0		
9	1	2.0' 18" (450mm) CSP .064	2.0		
10	1	EACH LABOR CHARGE TEE	1.0		
11	20	EACH FABRICATION 2" HOLES	20.0		
12	1	EACH 36" CONE GRATE	269.10	269.10	
13	1	20.0' 24" (600mm) CSP .064	15.05	301.00	
14	1	8.0' 24" (600mm) CSP .064	15.05	120.40	
15	2	EACH 24" (600mm) DIMPLE B/C 12" WIDE	17.05	34.10	
16	1	20.0' 18" (450mm) CSP .064	11.14	222.80	
17	1	8.0' 18" (450mm) CSP .064	11.14	89.12	
18	2	EACH 18" (450mm) DIMPLE B/C 12" WIDE	14.85	29.70	
19	1	EACH PREPAY & ADD FREIGHT	285.00	285.00	
		RIVERSIDE @ 7.750 %		197.20	
				TOTAL	3026.52

PAID
CREDIT

PLEASE PAY FROM THIS INVOICE — NO STATEMENT WILL BE SENT

THIS IS A SALE ON CREDIT - SERVICE CHARGES OF 1% PER MONTH (3% MINIMUM) WILL BE ASSESSED ON ALL ACCOUNTS NOT PAID WITHIN 30 DAYS.

BUYER'S ATTENTION IS DIRECTED TO THE TERMS OF SALE SET FORTH ON THE REVERSE SIDE WHICH TOGETHER WITH ANY SPECIAL PROVISIONS HEREAFTER RESERVED, CONSTITUTE THE SOLE AND ENTIRE AGREEMENT OF SALE.

NATIONAL SAFETY DATA SHEETS (MSDS) FOR ALL PRODUCTS ARE AVAILABLE UPON REQUEST.

TEMECULA
 (951) 694-5414
 28065 DIAZ ROAD
 TEMECULA CA 92590



INVOICE NO. 6025805

REMIT TO: WHITE CAP CONST. SUPPLY
 DEPT 0998
 LOS ANGELES, CA
 90088-0998

TERRITORY: SCA3

SOLD TO: 88081000
 BITZEN CONSTRUCTION

SHIP TO:
 CUSTOM HOME

JOB#

PAGE: 001

1 ml ORD BY: JACK BITZEN TERMS: NET 30 DAYS TAKEN BY: BOULD LOC: 6

ORDER NO	ORDER DATE	ACCT JOB NO	INVT DATE	SHIP VIA/ROUTING	CUSTOMER USE ONLY	
6038310	08/25/08	88081001	9/25/08	O:WILL CALL	14	
LN	PART NUMBER	QTY	DESCRIPTION	PRICE	QTY SHIP	AMOUNT
10	262551	1000	14"X22" 1600HR UV POLYPRO SANDRA	.25 EA	1000	250.00T
20	104PLWATERDP	1	24PK .5L NESTLE PL WATER W/ DEPO 72 CASES PER PALLET.	6.89 CAS	1	6.89T
TOTAL GROSS						256.89
TOTAL TAX 7.750%						19.82
TOTAL FREIGHT						.00
TOTAL INVOICE						276.91

Received By: JACK

Signature Copy On File

Firma/Nombre _____ Your opinion matters to us!
 Call 877-817-1807 and be entered for a chance at a \$1000 shopping spree.

NO REFUNDS OR EXCHANGES ON NON STOCK MERCHANDISE
 SEE REVERSE SIDE FOR TERMS AND CONDITIONS

CREATIVE HYDRO SEED, INC.

41891 Kalmia St., Suite A
 Murrieta, Ca. 92562
 951-461-9745/800 973-3346
 FAX 951-461-0864 LIC.#580206

Invoice

DATE	INVOICE #
11/6/2008	12946

Bill TO
 Jack Etzen

SHIP TO
 Jack Etzen
 Via Vista Grande
 La Cresta

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
	Due on receipt		11/6/2008			Jack Etzen, La Cresta
QUANTITY	ITEM CODE	DESCRIPTION			PRICE EACH	AMOUNT
189,580	Slopes	Hydroseed			0.0288	5,458.80
50,000	Slopes	Hydroseed Wren Civil Engineering			0.0288	1,440.00
	Payment					-4,000.00
	Payment	Wren Civil Engineering				-1,440.00
					Total	\$1,458.80

TEMECULA
 (951) 694-3414
 28065 DIAZ ROAD
 TEMECULA CA 92590



White Cap
 CONSTRUCTION SUPPLY

INVOICE NO. 6029092

SHIP TO: WHITE CAP CONST. SUPPLY
 DEPT 0808
 LOS ANGELES, CA
 90088-0808

TERRITORY: 50A3

SHIP TO:
 CUSTOM HOME

SOFT COPY: 88081000
 K&N CONSTRUCTION

JOB#

PAGE: 001

1ml ORD BY: JACK EITZEN TERMS: NET 30DAYS TAKEN BY: ECOLD LOC: 6

ORDER NO	ORDER DATE	ACCT. NO. NO.	INV. DATE	SHIP VIA/ROUTING	CUSTOMER P.O. NO.	SLIP#
6031912	11/10/08	88081001	11/10/08	O-WILL CALL	VIA VISTA	14
LN	PART NUMBER	QTY	DESCRIPTION	PRICE	QTY SHIP	AMOUNT
10	15710517	10	3'X100' SILT FENCE W/STAKES # 10	22.65 ROL	10	226.50
20	262581	200	14"X28" 1800HR UV POLYPRO SANDBA	.28 EA	200	56.00
TOTAL GROSS						278.50
TOTAL TAX 7.750%						21.44
TOTAL FREIGHT						.00
TOTAL INVOICE						297.94

Received By: JACK EITZEN

Signature Copy On File

Firma/Nombre _____ Your opinion matters to us!
 Call 877-817-1507 and be entered for a chance at a \$1000 shopping spree.

NO REFUNDS OR EXCHANGES ON NON STOCK MERCHANDISE
 SEE REVERSE SIDE FOR TERMS AND CONDITIONS

CREATIVE HYDRO SEED, INC.
 41891 KALMIA STREET, SUITE A
 MURRIETA, CALIFORNIA 92562
 (909) 461-9745 1-800-973-3346
 License No. # 580206

INVOICE

DATE	SALES PERSON	CUSTOMER NO.	TERMS
11-5-08	Scott		

JACK EITZEL
 Via Vista Grande
 LA Cresta

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
108,900	BEC	.0288	
21,780	BEC + flowers	.0288	
130,680			
108,900			

Thank You

CREATIVE HYDRO SEED, INC.
 41891 KALMIA STREET, SUITE A
 MURRIETA, CALIFORNIA 92562
 (909) 461-9745 1-800-973-3346
 License No. # 580206

INVOICE

DATE	SALES PERSON	CUSTOMER NO.	TERMS
H-6-08	BOB		

JACK EITZEL
 VIA VISTA GRANDE
 LA Cresta

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
21,780	BEC	.0288	
21,780	BEC + shrubs	.0288	

Thank You

CREATIVE HYDRO SEED, INC.
 41891 KALMIA STREET, SUITE A
 MURRIETA, CALIFORNIA 92562
 (909) 461-9745 1-800-973-3346
 License No. # 580206

INVOICE
 12646

DATE	SALESPERSON	CUSTOMER NO.	TERMS
10-31-08	Steve		

JACK EITZEN
 Via Vista Grande
 La Cresta

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
65,340	One Valley Mix	.0288	

Thank You

CREATIVE HYDRO SEED, INC.
 41891 KALMIA STREET, SUITE A
 MURRIETA, CALIFORNIA 92562
 (909) 461-9745 1-800-973-3346
 License No. # 580206

INVOICE

DATE	SALESPERSON	CUSTOMER NO.	TERMS
11-3-08	SCOTT		

JACK EITZEN
 V.A. VIST. GRANDE
 La Cresta, CA

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
21,700	Basal DEC + FIGURERS Native mix	.0288	

Thank You

DATE OF ORDER

DATE OF ORDER

DATE OF ORDER

DATE OF ORDER

CREATIVE HYDRO SEED, INC.
 41891 KALMIA STREET, SUITE A
 MURRIETA, CALIFORNIA 92562
 (909) 461-9745 1-800-973-3346
 License No. # 580206


INVOICE

12564

2009

DATE	BILL PERSON	CUSTOMER NO.	TERMS
1-5-09	Steve		

Jack Fitzen
 Via Vista Grande
 LA CRESTA

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
65,000	B Native Mix	.0288	
Jack # 1099 			

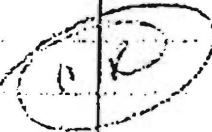
Thank You

INVOICE

CREATIVE HYDRO SEED, INC.
 41891 KALMIA STREET, SUITE A
 MURRIETA, CALIFORNIA 92562
 (909) 461-9745 1-800-973-3346
 License No. # 580206

DATE	BILL PERSON	CUSTOMER NO.	TERMS
4-17-09	Steve		

Jack Fitzen
 Via Vista Grande
 LA CRESTA

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
100,000			\$3,725
129,360	ⓐ .0288		
Black # 1094 			

Thank You

BCB Equipment Rental, LLC

32802 Willow Bay Road
Wildomar, CA 92595

Invoice

Date	Invoice #
12/30/2008	1172

Bill To
Eitzen, Jack [REDACTED] [REDACTED]

Job Site
Erosion Via Vista Grande

Terms

Due on receipt

Trailer #	Date	Hours/Qty	Description	Rate	Amount
	12/19/2008	4	CAT D8L Dozer	175.00	700.00
		4	CAT 824B Wheel Dozer	175.00	700.00
	12/20/2008	4	CAT D8L Dozer	175.00	700.00
		4	CAT 824B Wheel Dozer	175.00	700.00
			H2O Truck Rental	1,000.00	1,000.00

NOTICE: Under the Mechanics' Lien Law (California Code of Civil Procedure, Section 1181 et seq.), any Contractor, Subcontractor, Laborer, Supplier or other person who helps to improve your property but is not paid for his work or supplies, has a right to enforce a claim against your property. This means that, after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your own Contractor in full, if the Subcontractor, Laborer or Supplier remains unpaid."

Total	\$3,800.00
--------------	------------

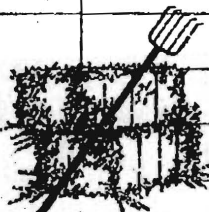
ROUND-UP FEED

Alfalfa • Oat Hay
Timothy • Bermuda • Straw

20651 Palomar Rd. • Wildomar, CA 92595
Ph. (951) 674-5154 • Fax (951) 674-7535

Sold To: _____ Date: 11/24/08
 Cash Charge
 Phone: _____ Check # _____
 Address: _____ CC # _____

Qty.	Description			Price	Total
	Alfalfa	Prem.	#2	Outside	
	Bermuda				
	Orchard				
	Timothy				
	Shavings				
<u>15</u>	<u>straw</u>			<u>6.50</u>	<u>97.50</u>



I hereby certify that I am engaged in the production of products of animal life which are food for human consumption and that this food is purchased for use in the production of such products.

Delivery Charge 12.00
 Tax _____
 Total 105.06

Or Resale # _____
 Received By _____

EITZEN


GRADING PERMIT

PERMIT #: BGR051516
Job Address: 38175 VIA VISTA GRANDE MURR

Status: ISSUED
Issued: 02/08/20
Expires: 08/07/20

Work Desc: GRADING SF RES LOT
Parcel No: 928-230-015
Location: 2005 TG 927 C3
Tract/Lot: LLA03192 PM19367 LOT 2 POR

Zoning: R-A-10

APPLICANT BROWN MINDI/CLE ENGINEERING Phone: 951-698-183
dba. S & A SURVEYING, 41601 DATE STREET, MURR
CONTRACTOR OWNER / BUILDER
OWNER EITZEN JACK Phone: 

FEE INFORMATION

Plan Check Fees.:	1,171.98	Transfer Fee.....	.0
Permit Fees.....:	829.26	Renewal Fee.....:	.0
		Addl Inspections:	.0
		Microfilm Fees...:	20.0
		Addl LMS Surchg.:	.4
Total Calculated Fees:			
Additional Fees:			
Total Permit Fees:			

CALL FOR INSPECTION

Requests for inspection shall be made at least
24 hours in advance by telephone at (951) 600-6100

Additional info at www.tlma.co.riverside.ca.us/lms/lms.htm

RAGSDALE

GRADING PERMIT

PERMIT #: BGR051518
Job Address: 38155 VIA VISTA GRANDE MURR

Status: ISSUED
Issued: 02/08/2007
Expires: 08/07/2007

Work Desc: GRADING SF RES LOT
Parcel No: 928-230-016
Location: 2005 TG 927 C3
Tract/Lot: PM19367 LOT 2 POR

Zoning: R-A-10

APPLICANT BROWN MINDI/CLE ENGINEERING
26608 PIERCE CIR , SUITE B , MURR
CONTRACTOR OWNER / BUILDER
OWNER EITZEN JACK

Phone: 951-698-1830

Phone: [REDACTED]

FEE INFORMATION

Plan Check Fees.:	1,171.98	Transfer Fee.....	.00
Permit Fees.....:	829.26	Renewal Fee.....:	.00
		Addl Inspections:	.00
		Microfilm Fees..:	17.50
		Addl LMS Surchg.:	.35
Total Calculated Fees:	2,019.09		
Additional Fees:	1,218.00		
Total Permit Fees:	3,237.09		

CALL FOR INSPECTION

Requests for inspection shall be made at least
24 hours in advance by telephone at (951) 600-6100

Additional info at www.tlma.co.riverside.ca.us/lms/lms.htm



EARTH RESOURCES INC.

STORM WATER CONSTRUCTION SITE SELF-INSPECTION CHECKLIST

Project Fairway Hills Estates Date 4/28/10
 Work Order # _____ Time of Inspection 3:00 P.M.
 WDID No. 933C349965, 933C338574, 933C338575, 933C350456, 933C350455
 Inspected By RUDY NUÑEZ Title _____ 933C350453
 Contractor _____

Weather Information

- Best estimate of beginning of storm event: Time 4:00 AM
- Estimated duration of storm event: 1 Hours — Minutes
- Approximate time elapsed since the end of the previous storm: 3 Days — Hours
- Estimated amount of rain from the current event: 0.01 Inches

Check "Yes" or "No" or "N/A" if not applicable.

YES	NO	N/A	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. Has there been an absence of rain since the last inspection?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. Are all sediment barriers (e.g., sandbags, straw wattles, and silt fences) in place in accordance with the Local SWPPP or ECP and are they functioning properly? <i>Need to clean one chevron AT MIDDLE OF ENTRANCE ROAD</i>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. If present, are all exposed slopes protected from erosion through the implementation of acceptable soil stabilization practices?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. If present, are all sediment traps/basins installed and functioning properly?



100

100

1000000000

100

100

100

1000000000

1000000000

Page 2
 Date: 4/28/10
 W.O. _____

- | YES | NO | N/A | | |
|-------------------------------------|-------------------------------------|-------------------------------------|-----|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. | Are all material handling and storage areas reasonably clean and free of spills leaks, or other deleterious materials? <i>CALLING CLEVER TO REMOVE MINOR LITTER ON ONE PAD</i> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 6. | Are all equipment storage and maintenance areas reasonably clean and free of spills, leaks, or any other deleterious materials? <i>NO EQUIPMENT ON SITE</i> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 7. | Are all materials and equipment properly covered and paints, thinners, and other hazardous liquids in roll offs or other covered containers? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 8. | Are all external discharge points (i.e., outfalls) reasonably free of any noticeable pollutant discharges? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 9. | Are all internal discharge points (i.e., storm drain inlets) provided with inlet protection? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 10. | Are all external discharge points reasonably free of any significant erosion or sediment transport? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 11. | Are all BMPs identified on the Plan installed in the proper location and according to the specifications for the plan (based on current site conditions)? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 12. | Are existing BMPs being maintained properly? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 13. | Are all on-site traffic routes, parking, and storage of equipment and supplies restricted to areas designated in the Plan for those uses? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 14. | Are all locations of temporary soil stockpiles or construction materials in approved areas? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 15. | Are all seeded or landscaped areas properly maintained? |

Earth Resources, Inc.

YES	NO	N/A		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16.	Are sediment treatment controls in place at discharge points from the site?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17.	If present, are slopes free of significant erosion?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18.	Are all points of ingress and egress from the site provided with stabilized construction entrances (including access to washout and storage areas)?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19.	Is sediment, debris, or mud being cleaned from public roads at intersections with site access roads?
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	20.	Are all lime, cement, fertilizer, gypsum, and other bagged products adequately covered on pallets or placed inside covered garages or roll offs? <i>no construction on site</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	21.	Are all portable toilets located off streets and sidewalks? <i>no work on site</i>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	22.	Are there any BMP's or concerns on the project that are not covered by the above? Explain _____ _____ _____

If you answered "no" to any of the questions on the previous pages, except Number 1, describe any corrective action(s) that have been performed, or that must be taken, to remedy the problem and when the corrective action is to be completed:

- Contracting w/ CLEANUP crew to remove very minor LITTER ON ONE LOT
- need to CLEAN OUT ONE CHEVRON NEAR ENTRANCE



EARTH RESOURCES INC

STORM WATER CONSTRUCTION SITE SELF-INSPECTION CHECKIST

Project _____ Date _____

Work Order # _____ Time of Inspection _____

WDID No. _____

Inspected By _____ Title _____

Contractor _____

Weather Information

- Best estimate of beginning of storm event: Time _____
- Estimated duration of storm event: _____ Hours _____ Minutes
- Approximate time elapsed since the end of the previous storm: _____ Days _____ Hours
- Estimated amount of rain from the current event: _____ Inches

Check "Yes" or "No" or "N/A" if not applicable.

YES	NO	N/A	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. Has there been an absence of rain since the last inspection?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. Are all sediment barriers (e.g., sandbags, straw wattles, and silt fences) in place in accordance with the Local SWPPP or ECP and are they functioning properly?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. If present, are all exposed slopes protected from erosion through the implementation of acceptable soil stabilization practices?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. If present, are all sediment traps/basins installed and functioning properly?

Date: _____
W.O. _____

- | YES | NO | N/A | | |
|--------------------------|--------------------------|--------------------------|-----|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 5. | Are all material handling and storage areas reasonably clean and free of spills leaks, or other deleterious materials? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 6. | Are all equipment storage and maintenance areas reasonably clean and free of spills, leaks, or any other deleterious materials? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 7. | Are all materials and equipment properly covered and paints, thinners, and other hazardous liquids in roll offs or other covered containers? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 8. | Are all external discharge points (i.e., outfalls) reasonably free of any noticeable pollutant discharges? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 9. | Are all internal discharge points (i.e., storm drain inlets) provided with inlet protection? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 10. | Are all external discharge points reasonably free of any significant erosion or sediment transport? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 11. | Are all BMPs identified on the Plan installed in the proper location and according to the specifications for the plan (based on current site conditions)? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 12. | Are existing BMPs being maintained properly? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 13. | Are all on-site traffic routes, parking, and storage of equipment and supplies restricted to areas designated in the Plan for those uses? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 14. | Are all locations of temporary soil stockpiles or construction materials in approved areas? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 15. | Are all seeded or landscaped areas properly maintained? |

Date: _____
W.O. _____

YES	NO	N/A		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16.	Are sediment treatment controls in place at discharge points from the site?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17.	If present, are slopes free of significant erosion?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18.	Are all points of ingress and egress from the site provided with stabilized construction entrances (including access to washout and storage areas)?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19.	Is sediment, debris, or mud being cleaned from public roads at intersections with site access roads?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20.	Are all lime, cement, fertilizer, gypsum, and other bagged products adequately covered on pallets or placed inside covered garages or roll offs?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	21.	Are all portable toilets located off streets and sidewalks?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	22.	Are there any BMP's or concerns on the project that are not covered by the above? Explain _____ _____ _____

If you answered "no" to any of the questions on the previous pages, except Number 1, describe any corrective action(s) that have been performed, or that must be taken, to remedy the problem and when the corrective action is to be completed:

Attachment 15- BMP Implementation Schedule

BMP Implementation Schedule			
BMP	BMP Description	Installation	Removal
Erosion Control BMP's			
EC-1	Scheduling	Throughout construction	n/a
EC-2	Preservation of Existing Vegetation	Throughout construction	n/a
EC-3	Hydraulic Mulch	After grading of and prior to rainy season or at all times during the rainy season	n/a
EC-4	Hydroseeding	After grading and prior to rainy season or at all times during the rainy season	n/a
EC-5	Soil Binders	After grading of and prior to rainy season or at all times during the rainy season	n/a
EC-6	Straw Mulch	After grading of and prior to rainy season or at all times during the rainy season	n/a
EC-7	Geotextiles & Mats	After grading of and prior to rainy season or at all times during the rainy season	After slopes have been 70% stabilized
EC-8	Wood Mulching	After grading of and prior to rainy season or at all times during the rainy season	n/a
EC-9	Earth Dikes and Drainage Swales	After grading of slopes	After paving
EC-10	Velocity Dissipation Devices	After grading of slopes	After paving
EC-11	Slope Drains	After grading of slopes	After paving
EC-12	Streambank Stabilization	After grading of slopes	After paving
EC-13	Polyacrylamide	After grading of slopes	After paving
Sediment Control BMP's			
SE-1	Silt Fence	Throughout construction	After paving

Storm Water Pollution Prevention Plan
For **Fairway Hills Estates HOA**

BMP Implementation Schedule			
BMP	BMP Description	Installation	Removal
SE-2	Sediment Basin	At the onset of grading and prior to rainy season or at all times during the rainy season	n/a
SE-3	Sediment Trap	After grading of and prior to rainy season or at all times during the rainy season	After Project Completion
SE-4	Check Dams	After grading and prior to rainy season or at all times during the rainy season	After paving
SE-5	Fiber Rolls	After grading of and prior to rainy season or at all times during the rainy season	After paving
SE-6	Gravel Check Dams	After grading and prior to rainy season or at all times during the rainy season	After paving
SE-7	Street Sweeping and Vacuuming	After paving	After Project Completion
SE-8	Sandbag Barrier	After grading of and prior to rainy season or at all times during the rainy season	After paving
SE-9	Straw Bale Barrier	Throughout construction	After paving
SE-10	Storm Drain Inlet Protection	After outlets have been constructed	After Project Completion
Wind Erosion Control BMP's			
WE-1	Wind Erosion Control	Throughout construction	After Project Completion
Tracking Control BMP's			
TC-1	Stabilized Construction Entrance/Exit	Throughout construction	After Project Completion
TC-2	Stabilized Construction Roadway	Throughout construction	After Project Completion
TC-3	Entrance/ Outlet Tire Wash	Throughout construction	After Project Completion
Non-Stormwater Management BMP's			
NS-1	Water Conservation Practices	Throughout construction	After Project Completion
NS-2	Dewatering Operations	Throughout construction	After Project Completion

**Storm Water Pollution Prevention Plan
For Fairway Hills Estates HOA**

BMP Implementation Schedule			
BMP	BMP Description	Installation	Removal
NS-3	Paving and Grinding Operations	Throughout construction	After Project Completion
NS-4	Temporary Stream Crossing	After grading of slopes	After paving
NS-5	Clean Water Diversion	Throughout construction	After Project Completion
NS-6	Illicit Connection/ Discharge	Throughout construction	After Project Completion
NS-7	Potable Water/ Irrigation	Throughout construction	After Project Completion
NS-8	Vehicle and Equipment Cleaning	Throughout construction	After Project Completion
NS-9	Vehicle and Equipment Fueling	Throughout construction	After Project Completion
NS-10	Vehicle and Equipment Maintenance	Throughout construction	After Project Completion
NS-11	Pile Driving Operations	Throughout construction	After Project Completion
NS-12	Concrete Curing	Throughout construction	After Project Completion
NS-13	Concrete Finishing	Throughout construction	After Project Completion
NS-14	Material and Equipment Use	Throughout construction	After Project Completion
NS-15	Demolition Adjacent to Water	Throughout construction	After Project Completion
NS-16	Temporary Batch Plants	Throughout construction	After Project Completion
Waste Management & Materials Pollution Control BMP's			
WM-1	Material Delivery and Storage	Throughout construction	After Project Completion
WM-2	Material Use	Throughout construction	After Project Completion
WM-3	Stockpile Management	Throughout construction	After Project Completion
WM-4	Spill Prevention and Control	Throughout construction	After Project Completion
WM-5	Solid Waste Management	Throughout construction	After Project Completion
WM-6	Hazardous Waste Management	Throughout construction	After Project Completion
WM-7	Contaminated Soil Management	Throughout construction	After Project Completion
WM-8	Concrete Waste Management	Throughout construction	After Project Completion
WM-9	Sanitary/ Septic Waste Management	Throughout construction	After Project Completion

Attachment 16- BMPs Maintenance, Inspection and Repair

The contractor shall use the following guidelines for maintenance, inspection, and repair of BMPs identified in the SWPPP/WPCP		
BEST MANAGEMENT PRACTICES (BMPs)	INSPECTION FREQUENCY (all controls)	MAINTENANCE/REPAIR PROGRAM
TEMPORARY SOIL STABILIZATION BMPs		
EC-2 Preservation of Existing Vegetation	Bi-weekly	<ul style="list-style-type: none"> ■ Inspect protective fencing and repair or replace as necessary ■ Repair or replace damaged vegetation per SS-1 working detail ■ Repair damaged roots or compacted soils in the root zone
EC-3 Hydraulic Mulching EC-4 Hydroseeding EC-5 Soil Binders EC-6 Straw Mulch EC-7 Geotextiles& Mats EC-8 Wood Mulch EC-9 Earth dikes and drainage swales EC-10 Velocity Dissipation Devices EC-11 Slope Drains EC-12 Streambank Stabilization EC-13 Polyacrylamide	Bi-weekly Prior to forecast storm After a rain event that causes runoff from the construction site At 24-hour intervals during extended rain events	<ul style="list-style-type: none"> ■ Maintain continuous mulch cover over area to be protected. Re-spray hydraulic mulch as necessary. ■ As soon as weather and soil conditions permit, repair any slope damage and re-spray damaged or exposed areas ■ Replace and dispose torn or missing sections of Geotextiles ,mats, and plastic covers. Replace or supplement anchors as necessary to keep covers in place.
TEMPORARY SEDIMENT CONTROL BMPs		

Storm Water Pollution Prevention Plan
For Fairway Hills Estates HOA

The contractor shall use the following guidelines for maintenance, inspection, and repair of BMPs identified in the SWPPP/WPCP		
BEST MANAGEMENT PRACTICES (BMPs)	INSPECTION FREQUENCY (all controls)	MAINTENANCE/REPAIR PROGRAM
SE-1 Silt Fence SE-2 Sediment Basin SE-4 Check Dam SE-5 Fiber Rolls SE-6 Gravel Bag Berm SE-7 Street Sweeping And Vacuuming SE-8 Sandbag Barrier SE-9 Straw Bale Barrier SE-10 Storm Drain Inlet Protection	Bi-weekly Prior to forecast storm After a rain event that causes runoff from the construction site At 24-hour intervals during extended rain events	<ul style="list-style-type: none"> ■ Remove, dispose, and replace damaged, deteriorated, or otherwise unsuitable BMPs ■ Repair any slope damage as soon as weather conditions permit. ■ Replace torn sand bags as required. ■ Replace torn sections of silt fences. Re-key bottom of fences as needed. ■ Remove retained sediments before they reach 1/3 of the barrier height or 1/2 of the sediment holding capacity ■ Clean and dispose of accumulated sediment deposited in sediment traps around drainage inlets; re-secure silt fence as needed ■ Remove BMPs when no longer needed, as directed by the Engineer. Repair slopes/surfaces damaged by BMP removal

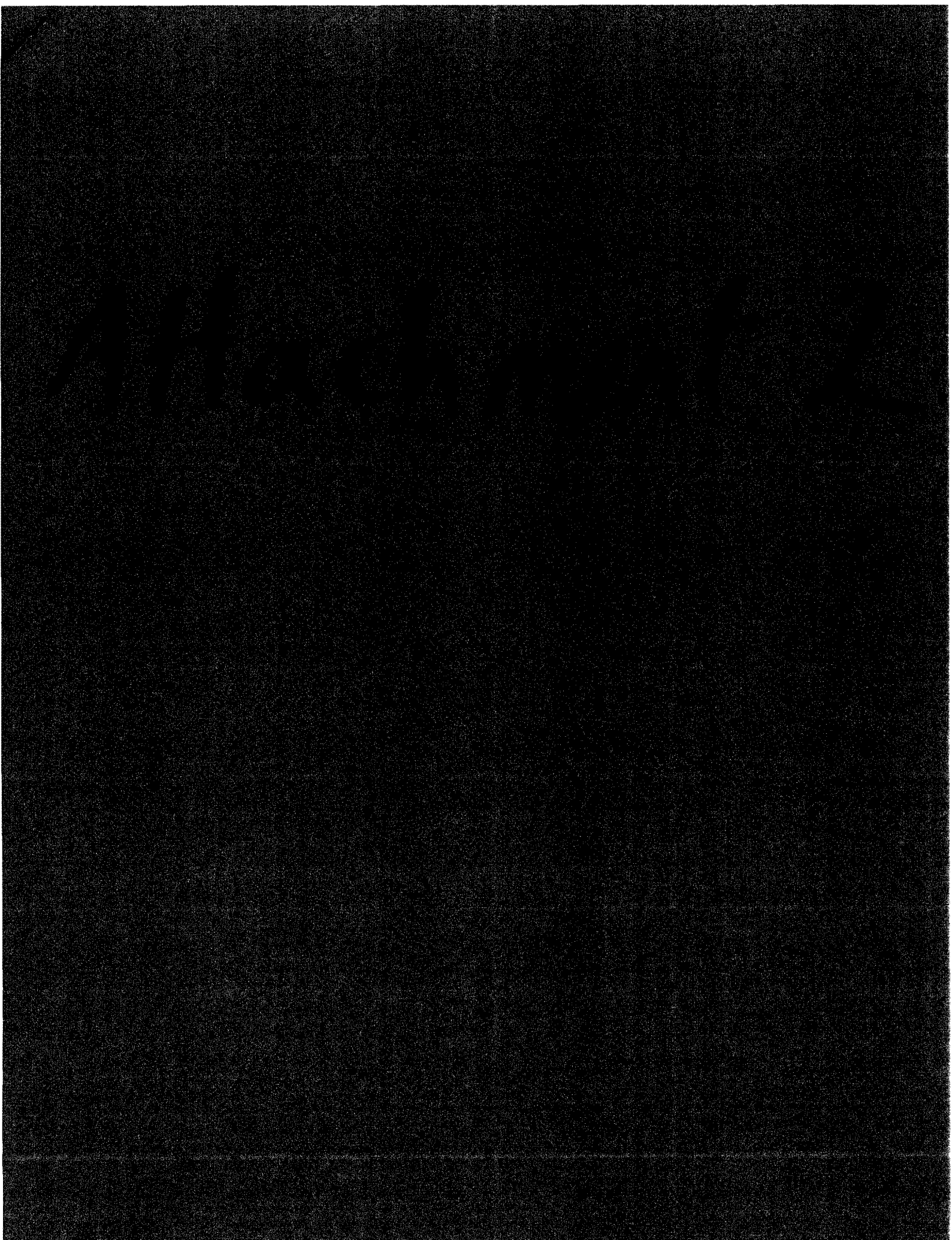
**Storm Water Pollution Prevention Plan
For Fairway Hills Estates HOA**

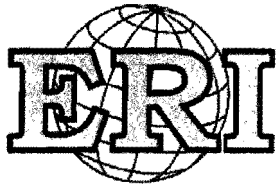
The contractor shall use the following guidelines for maintenance, inspection, and repair of BMPs identified in the SWPPP/WPCP		
BEST MANAGEMENT PRACTICES (BMPs)	INSPECTION FREQUENCY (all controls)	MAINTENANCE/REPAIR PROGRAM
SE-3 Sediment Trap	Bi-weekly Prior to forecast storm After a rain event that causes runoff from the construction site At 24-hour intervals during extended rain events	<ul style="list-style-type: none"> ■ Remove sediment as necessary. ■ Pump and discharge accumulated water. ■ Check outlet structure and spillway for any damage or obstructions. Repair damage and remove obstructions as needed. ■ Check outlet area for erosion and stabilize, if required. ■ Remove sediments when storage zone is one-third full. ■ Examine basin banks for seepage and structural soundness.
WIND EROSION CONTROL BMPs		
WE-1 Wind Erosion Control	Daily	<ul style="list-style-type: none"> ■ Maintain water trucks and water distribution equipment in good order and fix leaks immediately
TRACKING CONTROL BMPs		
TC-1 Stabilized Construction Entrance/ Exit TC-2 Stabilized Construction Roadway TC-3 Entrance/ Outlet Tire Wash	Weekly Prior to forecast storm After a rain event that causes runoff from the construction site At 24-hour intervals during extended rain events	<ul style="list-style-type: none"> ■ Replace gravel as necessary. ■ Remove excessive soil accumulation. ■ Sweep surrounding areas.
NON-STORM WATER MANAGEMENT BMPs		

The contractor shall use the following guidelines for maintenance, inspection, and repair of BMPs identified in the SWPPP/WPCP		
BEST MANAGEMENT PRACTICES (BMPs)	INSPECTION FREQUENCY (all controls)	MAINTENANCE/REPAIR PROGRAM
NS-1 Water Conservation Practices NS-2 Dewatering Operations NS-3 Paving and Grinding Operations NS-4 Temporary Stream Crossing NS-5 Clear Water Diversion NS-6 Illicit Connection/ Discharge NS-7 Potable Water/ Irrigation NS-8 Vehicle and Equipment Cleaning NS-9 Vehicle and Equipment Fueling NS-10 Vehicle and Equipment Maintenance NS-11 Pile Driving Operations NS-12 Concrete Curing NS-13 Concrete Finishing NS-14 Material and Equipment Use NS-15 Demolition Adjacent to Water NS-16 Temporary Batch Plants	Weekly	<ul style="list-style-type: none"> ■ Inspect site during project execution for evidence of illicit discharges or illegal dumping. ■ Observe site perimeter for evidence or potential of illicitly discharged or illegally dumped material which may enter the job site. ■ Notify the Resident Engineer of any illicit discharges or illegal dumping incidents at the time of discovery. ■ Remove, dispose and replace damaged, deteriorated, or otherwise unsuitable BMPs ■ Remove vehicles and/or equipment that leak. ■ Replace drip pans or absorbent materials as needed. Re-stock spill materials. ■ Remove BMPs when no longer needed, as directed by the Engineer. Repair slopes/surfaces damaged by BMP removal
WASTE MANAGEMENT AND MATERIALS POLLUTION CONTROL BMPs		

**Storm Water Pollution Prevention Plan
For Fairway Hills Estates HOA**

The contractor shall use the following guidelines for maintenance, inspection, and repair of BMPs identified in the SWPPP/WPCP		
BEST MANAGEMENT PRACTICES (BMPs)	INSPECTION FREQUENCY (all controls)	MAINTENANCE/REPAIR PROGRAM
WM-1 Material Delivery and Storage WM-2 Material Use WM-3 Stockpile Management WM-4 Spill Prevention and Control WM-5 Solid Waste Management WM-6 Hazardous Waste Management WM-7 Contaminated Soil Management WM-9 Sanitary/Septic Waste Management	Weekly Prior to forecast storm After a rain event that causes runoff from the construction site At 24-hour intervals during extended rain events	<ul style="list-style-type: none"> ■ Keep storage areas clean, well organized, and equipped with ample clean-up supplies as appropriate for the materials stored ■ Repair or replace perimeter controls, containment structures, covers and liners as needed to maintain proper function and protection ■ Properly remove and dispose accumulated rainwater from containment facilities ■ Cover any stockpiles with appropriate mats or covers. ■ Maintain waste fluid containers in leak proof condition. Repair or replace dumpsters that leak ■ Provide timely service and removal to prevent dumpsters and sanitary facilities from overflowing. ■ Schedule Refuse Contractor to pick up waste containers weekly.
WM-8 Concrete Waste Management	Weekly	<ul style="list-style-type: none"> ■ Remove accumulated debris from concrete washouts. Replace lining and sand bags as necessary





EARTH RESOURCES INC

May 18, 2010
W.O. 2340

Fairway Hills Estates HOA
[REDACTED]
[REDACTED]

Attention: Mr. Jack Eitzen

Subject: **Required Technical Report (RTR) and Technical Response
Notice of Violation No. R-9-2010-0059
by SWRCB San Diego Region 9 dated March 24, 2010
Fairway Hills Estates HOA
Via Vista Grande Road westerly of Claremont St.
Murietta, California 92562**

Reference: **App. IDs: 288214, 288215, 339509, 339514, 337595**

INTRODUCTION

As requested, Earth Resources, Inc. has prepared this technical response to the subject Notice of Violation No. R-9-2010-0059 (NOV) issued by the San Diego Region of the California Regional Water Quality Control Board to Fairway Hills Estates, dated March 24, 2010. The purpose of this response was to assist Fairway Hills Estates HOA in complying with SWPPP issues identified by an inspector for the Regional Board site visits on December 16, 2008, December 23, 2008, and January 28, 2009. A copy of the NOV is included in Appendix A of this report for convenience of reference. This technical response to the NOV constitutes the Required Technical Report (RTR) and should be considered as an amendment to each of the SWPPPs for the Fairway Hills Estates HOA. This RTR is organized in two parts. Part I addresses items in the Water Board's Request for RTR (cover

letter for the NOV) and Part II addresses specific issues identified in the NOV Summary of NPDES and SWRCB Violations.

Part I. REQUIRED TECHNICAL REPORT and TECHNICAL RESPONSE
TO NOTICE OF VIOLATION

The following is an itemized Technical Report addressing the issues identified in the NOV.

Item 1

An Immediate Actions Section describing the reasons for the discharge of sediment from the site into the Municipal Separate Storm Sewer System and/or waters of the United States and State, and what immediate steps were taken to stop the illegal discharge.

Response to Item 1- IMMEDIATE ACTIONS SECTION

The County of Riverside Flood Control maintains rainfall records from automated rain gauges in proximity to the Fairway Hills Estates HOA properties. Mr. Robert Lagg of the Riverside County Flood Control provided rainfall records for the three automated rain gauges closest to the site for the period of July 2008 through June 2009. The data indicates that a very intense, multi-day storm event impacted the region during the four day period from December 15-18, 2008.

The total rainfall recorded from this storm event at each of the nearby stations was 4.54 inches to 4.9 inches. This single event represents over one third the total rainfall for the 2008-2009 rain season. The rainfall was particularly intense during the morning of December 15, the day prior to Mr. Felix's site inspection. Available hourly rainfall data from approximately 6:30 AM until 12:30 PM on December 15, 2008 shows that 1.59 inches to 2.06 inches of precipitation recorded at these three stations. The average rainfall intensity for this 6-hour peak storm period was 0.255 to 0.344 inches per hour. A summary of the available rainfall records is presented in Table 1 below.

Table 1- Rainfall Data Summary

Station and elevation	Direction and Distance from site	Season Total for Station (inches)	Date of Selected Storm event	Rainfall amount During storm event (inches)	Rainfall intensity (inches/hr for 6-hr peak period)	Storm event percentage of season total for station
Wildomar No. 246 1230' MSL	0.8 miles north	11.8"	12/15-18/08	4.61"	0.265 in/hr (on 12/15)	39%
La Cresta No. 274 2305' MSL	2.1 miles west-northwest	13.0"	12/15-18/0	4.54"	0.255 in/hr (on 12/15)	35%
Sylvan Meadows No. 326 1881' MSL	3.6 miles south	14.9"	12/15-18/0	4.9"	0.344 in/hr (on 12/15)	33%

Immediate actions taken by the contractor-both during and following- this storm event included cleanup of the sediment from the pavement at the end of Claremont Street, cleanup of the concrete drainage structure above 22408 Montes Court, and placement/replacement of sand bags.

As indicated in the Facility Inspection Report (FIR) by the Regional Board Inspector dated December 16, 2008 the inspection was initiated by a telephone complaint by Gertie Kazmi of 22408 to the Regional Board. Reference is also made regarding a complaint made to the City of Wildomar and Riverside County to a complaint by a resident at the Clairmont Road entrance to the project, also in December 2008.

The December 16, 2008 FIR states the following "cleanup of the sediment was almost completed upon my arrival at the site", providing evidence that immediate corrective actions were indeed taken by the contractor during the December 15-18 storm event. In addition to cleanup of the sediment from the intense storm event, the Contractor implemented additional erosion control measures. A bulldozer, loader, and water truck were rented on December 19 and December 20 for cleanup and repair of the erosion on Via Vista Grande. Receipts for this work are included in Appendix C. Slopes along Via Vista Grande and elsewhere throughout the site were hydroseeded with bonded fiber matrix and native seed mix on October 31, 2008, November 3, 2008, January 1, 2009, and April 17, 2009. Receipts for this work and other erosion control work from September 2008 through December 2008 are also included in Appendix C.

The following is a summary provided by the Fairway Hills Estates HOA of erosion control and SWPPP BMP work conducted from the months prior to the December 2008 storm event through the present 2009-2010 rain season:

Via Vista Grande Erosion Control Work

12-10-04	Kazmi Clean –up This work was prior to Fairway Hills grading	\$10,000.00
12-6-07	Erosion/Road	\$3,500.00
12-21-07	gravel bags slit fence	\$610.00
12-22-07	gravel bags slit fence	\$532.50
1-2-08	Kazmi clean up labor	\$3,000.00
1-28-08	Kazmi clean up	\$10,500.00
1-26-08	Corrected all Erosion	4-4-08 PD
1-27-08	Reestablish correct drainage	4-4-08 PD
2-1-7-08	County approved Erosion (Zack Zachos)	\$342.50
2-1-08	Installed additional Erosion Wattles	\$2,408.75
2-4-08	Maintain Road /	\$1,500.00
2-4-08	Maintain Road gravel Bags (150 man hrs)	\$1,500.00
2-5-08	EMC Erosion supplies	\$3,551.25
2-5-08	Meet County Michael Malone inspector	
2-7-08	Meet County Michael Malone	
2-9-08	HOA Via Vista Erosion Control	\$3,000.00
2-19-08	Maintain Rd. Access during rainy period	4-4-08 PD
2-20-08	County Approved installed erosion measures	
4-4-08	HOA Paid Erosion	\$30,900.00
4-17-08	install slit fence 2 lots	\$400.00
5-15-08	Magoulas slit fence	\$1,500.00
6-10-08	Magoulas slit fence	\$1,400.00
6-18-08	FST Sand & Gravel, rock gravel bags	\$1,200.00
7-15-08	Chris Zachos Erosion monitors	\$150.00
8-14-08	Ethan Archbold V ditch Work	\$897.28
8-27-08	Via Vista Erosion, / paid labor	\$700.00
9-22-08	BCB Erosion	\$5,000.00
9-25-08	Retention pond pipe	\$3,026.52
9-30-08	Via Vista Erosion, Gravel bags/ paid	\$400.00
10-10-08	Ron Erosion work	\$60.00
10-10-08	BCB erosion	\$1,000.00
10-21-08	BCB retention ponds	\$8,400.00
10-31-08	Creative Hydro 65,340 sq ft	\$1,960.20
11-3-08	Creative Hydro 21,780 sq ft	\$653.40
11-5-08	Creative Hydro 108,900 sq ft	\$3,136.32
11-6-08	Creative Hydro 43,560 sq ft	\$1,306.80
11-25-08	Via Vista Erosion, Gravel bags/ paid	\$900.00
12-9-08	Ron Erosion work	\$820.00
12-18-08	Ron Erosion work Labor	\$1220.00
12-19-08	BCB Equipment	\$3,800.00
12-23-08	White Capp Black Plastic/Jute	\$784.45

1-5-09	Creative Hydro seed 65,000 sq. ft	\$1,872.00
1-6-09	Ron Erosion work	\$140.00
1-19-09	Erosion Control	\$5,000.00
1-30-09	HOA Erosion	\$3,000.00
2-12-09	BCB invoice Erosion	\$1,958.90
4-15-09	4 rolls jute net	\$1,055.95
4-16-09	Hydro seed 20,000 sq ft.	\$600.00
4-17-09	Hydro seed 129,360 sq. ft	\$3,725.00
4-17-09	HOA Group Erosion	\$5,000.00
5-4-09	HOA Group Check	\$2,200.00
5-4-09	Horizon 4,000 sq ft jute Netting	\$289.00
4-8-09	BCB invoice Erosion work	\$1,951.52
5-28-09	Gravel Bags 1000	\$1,400.00
6-2-09	Horizon Jute net/stakes	\$1,372.50
6-9-09	FST delivered 300 ton Rock	\$6,000.00
6-15-09	BCB invoice Erosion/Rock/Rd	\$5,350.00
6-19-09	HOA paid Erosion	\$2,200.00
6-19-09	Horizon Jute net/stakes	\$2,268.00
6-22-09	BCB invoice Erosion/Rock/Rd	\$2,400.00
6-25-09	Rolls jute net	\$1,160.00
10-22-09	FST rock 175 ton	\$2,028.87
11-13-09	FST rock 225 tons	\$3,276.71
12-25-09	FST ¾ rock 25 ton	\$411.12
3-11-10	Temecula Valley Erosion Coco Mat	\$ 940.00
3-15-10	HOA Paid Inland Erosion work	\$56,000.00
3-15-10	Erosion work on 8 Lots	\$35,000.00
3-31-10	Creative Hydro seed	\$1,254.53

It should be noted that since the initial sedimentation that occurred in December 2008, there have been no additional releases of sediment beyond the project boundary. The Lower basin that was under construction during the December 2008 has now been completed. The slopes are presently protected with Visqueen plastic and permanent landscaping of the disturbed areas with approved native vegetation mix is scheduled to be conducted this spring.

A letter from Mr. & Mrs. Kazmi dated April 30, 2010 states that the V-ditch behind their house was cleaned of sediment and sandbags replaced as necessary to their satisfaction

and that they have experienced no further sediment problems in the ditch behind their house. A copy of the Kazmi letter is also included in Appendix C. Photos of this area were taken on April 28, 2010 (see Photos 1 and 2 in Appendix B, the Photos section of this report)

Since the December 2008 rains, extensive erosion control BMPs and drainage corrections have been implemented on Via Vista Grande and the slopes along its alignment. Sandbag chevrons and crushed rock have been placed to minimize erosion potential until the roadway has been paved. A rock and rumble-plate Stabilized Construction Entrance have been constructed where the gravel road meets the pavement at Claremont Street (see Photos 3 and 4 in Appendix B).

Item 2

Provide verification of all documents for construction activities that required permit enrollment with the State Water Resources Control Board (State Water Board).

Response to Item 2

Grading permits for work done on the site for various owners are presented in Appendix D. The grading of these sites done for the various owners required filing of Notices of Intent (NOIs). Copies of the Receipts for the NOIs issued by the SWRCB are also included in Appendix D.

Item 3

A Storm Water Pollution Prevention plan (SWPPP) Status Report Section including:

- a) an 8.5 X 11 Site Map boldly indicating all flow lines, storm water inlets and outfalls (designate active or inactive), and direct discharge (if applicable) to a water of the state**
- b) A statement giving the exact date construction began.**

- c) **Photocopies of all BMP implementation/maintenance/inspection records (to date).**
- d) **Photocopies of all annual Compliance Certifications.**
- e) **A Photocopy of the SWPPP Signatory Requirement Page.**
- f) **If necessary, copies of newly completed Notices of Intent (NOIs). Please note: if any information provided on the current NOIs has changed, a NOI change of information, filed with the State Water board in Sacramento, is required,**
- g) **A completed "SWPPP and Monitoring program Review Sheet" (copy enclosed), with preparers name, included in the RTR as Attachment A.**

Response to Item 3- SWPPP Status Report

- a) The requested 8.5 X 11 Site Map is presented herein as Figure 1. A copy of this Site Map is also included in the Sampling and Analysis Plan prepared for this project by ERI under separate cover.
- b) Construction of various pad areas for individual homeowners began at different times under individual grading permits. Based on these permits, grading for parcels owned by Eitzen and Ragsdale began in March 2007. Grading for parcels owned by Magoulas began in April 2008. Grading of the Nunez property began in May 2008. Improvements to Via Vista Grande began in June 2007. The County did not require a grading permit for Via Vista Grande improvements.
- c) Records of site BMP maintenance prior to April 28, 2010 consist of receipts for work done by various subcontractors, such as sand bag placement, hydro mulching/bonded fiber matrix, equipment rental for erosion and drainage corrections, etc. similar to those presented in Appendix C. Beginning April 28, 2010 a Construction Site Self Inspection Checklist was completed by Mr. Rudy Nunez. A copy of the completed Inspection Checklist, as well as, a blank Inspection Checklist to be copied for future use by the HOA and its members are presented in Appendix E. The Checklist will be used to record future site BMP inspections and maintenance. Similar blank Inspection Checklists are also contained in the SWPPPs

for each of the sites prepared by others. Copies of future completed Checklists will be kept on site with the project SWPPP documents.

- d) Annual Compliance Certifications were not completed in 2008 or 2009. The HOA is in the process of obtaining copies of Annual Compliance Certifications for each of the WDID holders for 2010.
- e) The required SWPPP Signatory Pages are included in the copies of the various SWPPP reports submitted by Fairway Hills Estates HOA under separate cover.
- f) Copies of the SWRCB Receipts for NOIs are presented in Appendix D.
- g) As discussed with Mr. Tony Felix on the phone, a copy of the "SWPPP and Monitoring Program Review Sheet" was not enclosed with the NOV as strated in this comment. Per Mr. Felix's request, in reply to this item we have included herein in Appendix F (not Attachment A) a copy of the ***BMP Implementation Schedule*** and ***BMPs Maintenance Inspection and Repair*** sheets from the SWPPP for Fairway Hills Estates HOA prepared by RenCivil dated April 30, 2008. A full copy of the SWPPP signed and certified is being submitted by the HOA to RWQCB under separate cover.

Item 4

A Site Status Report Section including photo-documentation of implementation of the SWPPP, including proper installation of BMPs addressing, but not limited to, those specific violations indicated in the NOV.

Response to Item 4

The status of each violation is addressed herein, on an individual basis, in the order in which they are presented in the NOV. Photos of the implementation of the SWPPP BMPs to correct violations, as well as, overall site photos showing BMP conditions are presented in Appendix B of this report.

Item 5

A Hydrologic Study Section certified by a Registered Civil Engineer, for each sediment basin serving any tributary area as erosion control. Include:

- a) Site Map delineating topographic tributary area (scaled) with flowlines.**
- b) Basin dimensions and calculated maximum volume.**
- c) Outlet and filtration calculations and specifications.**
- d) Hydrologic calculations based on one of the prescribed methods specified in order No, 99-08-DWQ.**
- e) All supporting documentation.**

Response to Item 5

RENCivil has prepared a hydrology study for the project titled ***Hydrology Study for the Via Vista Grande Road Construction project Detention/Desilting Basins***. This report is signed and stamped by a Registered Civil Engineer and included the Site Map, basin dimensions, calculations, and specifications as outlined in the request. This report covers the three detention/desilting basin design and construction. These are permanent structures which will remain following completion of construction. A copy of the RENCivil hydrology report has been submitted to Mr. Felix via email, and a printed copy is being submitted by to RWQCB by the Fairway Hills Estates HOA under separate cover.

Item 6

A Pollutant Sampling Program Section including the following:

- a) Site map delineating topographic tributary area (scaled with flowlines) of area(s) to be sampled for pollutants and area(s) to be sampled as background (free of pollutants).**
- b) A list of all pollutants to be tested which are not visually detectable in storm water discharges as specified in Section B.8 of the permit.**
- c) Copies of all qualifications and training certifications for the laboratory or staff who will be sampling.**

- d) **A copy of all protocol measures to be employed, including, at a minimum, Quality Assurance/Quality Control (QA/QC) and Chain of Custody.**

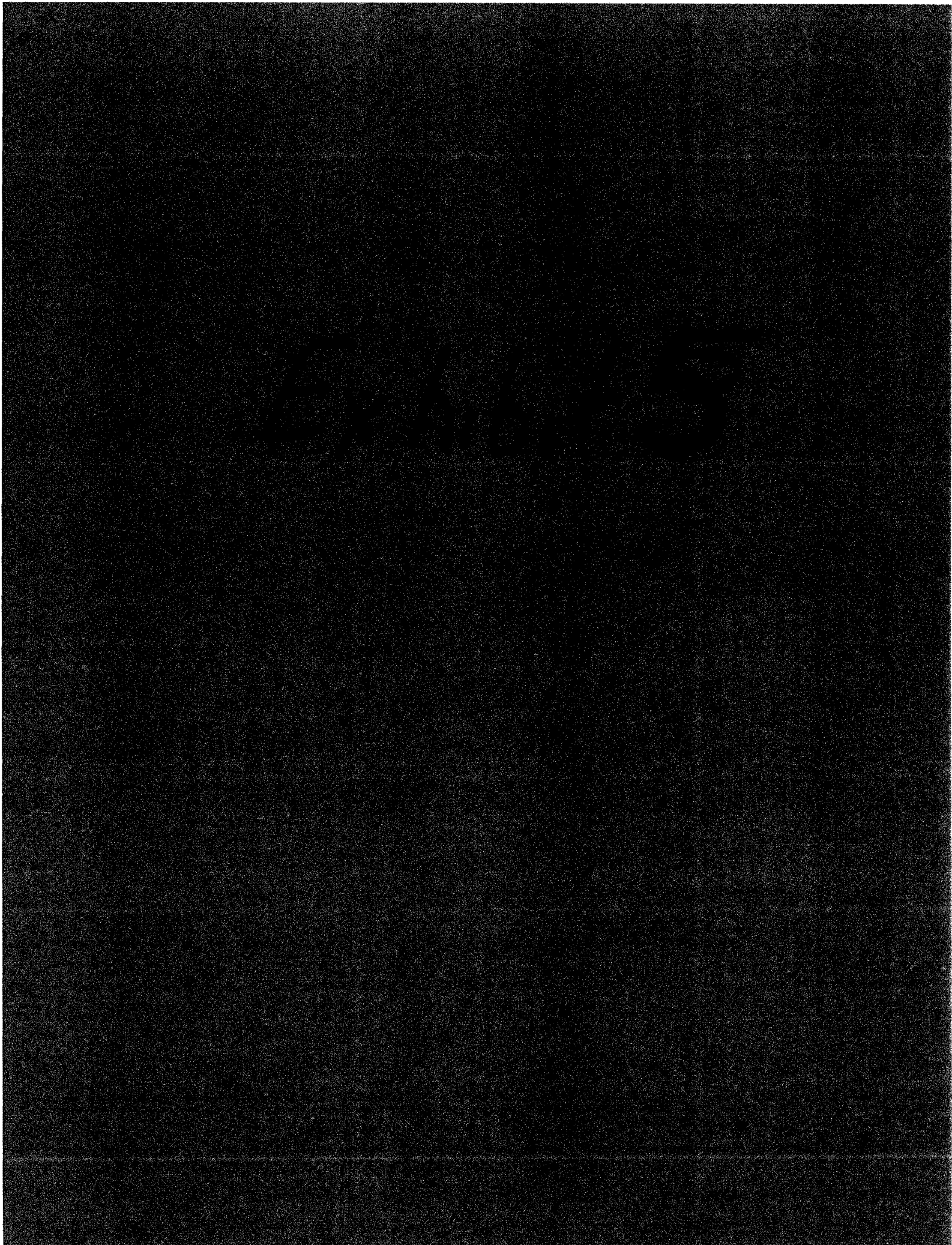
Response to Item 6

Earth Resources Inc. has prepared a ***Storm Water Sampling and Analysis Plan for the Fairway Hills HOA*** dated May 3, 2010. This SAP was prepared by a Certified Engineering Geologist and Registered Environmental Assessor and applies to all of the parcels located within the HOA. The SAP is intended to be an amendment to each of the existing SWPPPs for the various members of the HOA. The SAP was submitted to Mr. Felix for review by ERI via email on May 5, 2010. A printed copy will be submitted to RWQCB under separate cover by the HOA at the time this RTR and technical response is submitted to the Regional Board.

Item 7

A discussion of the filling of all unnamed drainages within the subject site including, at a minimum, the following:

- a) **A full delineation of the entire subject site, including a map, depicting all on-site water of the United States and/or State.**
- b) **The amount and locations of fill placed in waters of the State and, where appropriate, waters of the United States. Fill must be reported in acres and linear feet.**
- c) **A timeline of activities related to fill placement into each drainage.**
- d) **A full description of the pre-construction condition of the drainages.**
- e) **Proposing to discharge waste or fill to waters of the State requires the filing of Waste Discharge Requirements containing the information required by the appropriate Water Board.**



Label

(See instructions on page 14.) Use the IRS label. Otherwise, please print or type.

Label HERE

Form header section containing personal information: Name (REGGIE L. RAGSDALE), Social Security Number, Spouse's information (JACQUE L. RAGSDALE), Home address, City, town or post office, state, and ZIP code.

Presidential Election Campaign

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 14) [X] You [X] Spouse

Filing Status

Check only one box.

- 1 [] Single
2 [X] Married filing jointly (even if only one had income)
3 [] Married filing separately. Enter spouse's SSN above and full name here.
4 [] Head of household (with qualifying person). (See page 15.) If the qualifying person is a child but not your dependent, enter this child's name here.
5 [] Qualifying widow(er) with dependent child (see page 16)

Exemptions

If more than four dependents, see page 17.

Exemptions section: 6a [X] Yourself, 6b [X] Spouse, 6c Dependents table with entries for JAMIE, CASSANDRA, and WHITNEY RAGSDALE (all daughters), 6d Total number of exemptions claimed: 5

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see page 21.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

Income table with rows 7-22. Total income reported on line 22 is 80821.

Adjusted Gross Income

Adjusted Gross Income table with rows 23-37. Total adjusted gross income reported on line 37 is 76266.

NO L CARRY FORWARD OPTION

Tax and Credits

38 Amount from line 37 (adjusted gross income) 38 76266

39a Check You were born before January 2, 1944, Blind. Total boxes checked 39a
 If: Spouse was born before January 2, 1944, Blind. checked 39b

b If your spouse itemizes on a separate return or you were a dual-status alien, see page 34 and check here 39c

c Check if standard deduction includes real estate taxes or disaster loss (see page 34) 39c

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) 40 108197

41 Subtract line 40 from line 38 41 (31931)

42 If line 38 is over \$119,975, or you provided housing to a Midwestern displaced individual, see page 36. Otherwise, multiply \$3,500 by the total number of exemptions claimed on line 6d 42 17500

43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- 43 0

44 Tax (see page 36). Check if any tax is from: a Form(s) 8814 b Form 4972 44 0

45 Alternative minimum tax (see page 39). Attach Form 6251 45 0

46 Add lines 44 and 45 46 0

47 Foreign tax credit. Attach Form 1116 if required 47

48 Credit for child and dependent care expenses. Attach Form 2441 48

49 Credit for the elderly or the disabled. Attach Schedule R 49

50 Education credits. Attach Form 8863 50 0

51 Retirement savings contributions credit. Attach Form 8880 51

52 Child tax credit (see page 42). Attach Form 8901 if required 52

53 Credits from Form: a 8396 b 8839 c 5695 53

54 Other credits from Form: a 3800 b 8801 c 54

55 Add lines 47 through 54. These are your total credits 55

56 Subtract line 55 from line 46. If line 55 is more than line 46, enter -0- 56 0

Standard Deduction for:

- People who checked any box on line 39a, 39b, or 39c or who can be claimed as a dependent, see page 34.
- All others:

Single or Married filing separately, \$5,450

Married filing jointly or Qualifying widow(er), \$10,900

Head of household, \$8,000

Other Taxes

57 Self-employment tax. Attach Schedule SE 57 230

58 Unreported social security and Medicare tax from Form: a 4137 b 8919 58

59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required 59

60 Additional taxes: a AEIC payments b Household employment taxes. Attach Schedule H 60

61 Add lines 56 through 60. This is your total tax 61 230

Payments

62 Federal income tax withheld from Forms W-2 and 1099 62

63 2008 estimated tax payments and amount applied from 2007 return 63 9823

64a Earned income credit (EIC) 64a

b Nontaxable combat pay election 64b

65 Excess social security and tier 1 RRTA tax withheld (see page 61) 65

66 Additional child tax credit. Attach Form 8812 66

67 Amount paid with request for extension to file (see page 61) 67

68 Credits from Form: a 2439 b 4136 c 8801 d 8885 68

69 First-time homebuyer credit. Attach Form 5405 69

70 Recovery rebate credit (see worksheet on pages 62 and 63) 70 1200

71 Add lines 62 through 70. These are your total payments 71 11023

If you have a qualifying child, attach Schedule EIC.

Refund

72 If line 71 is more than line 61, subtract line 61 from line 71. This is the amount you overpaid 72 10793

73a Amount of line 72 you want refunded to you. If Form 8888 is attached, check here 73a 8793

b Routing number b

c Type: Checking Savings c

d Account number d

74 Amount of line 72 you want applied to your 2009 estimated tax 74 2000

Amount You Owe

75 Amount you owe. Subtract line 71 from line 61. For details on how to pay, see page 65 75

76 Estimated tax penalty (see page 65) 76 0

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 66)? Yes. Complete the following. No

Designee's name Phone no. Personal identification number (PIN)

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature Date Your occupation Daytime phone number

091509 OPTOMETRY ()

Spouse's signature. If a joint return, both must sign. Date Spouse's occupation

091509 RETAIL ADMINISTRATION

Paid Preparer's Use Only

Preparer's signature Date Check if self-employed Preparer's SSN or PTIN

M.P.UMBERGER 091509 []

Firm's name (or yours if self-employed), address, and ZIP code EIN Phone no.

HI-DESERT DULCINEA [] []

56925 YUCCA TRL #210 [] []

YUCCA VALLEY CA 92284





Department of the Treasury
Internal Revenue Service
Philadelphia, PA 19134

For assistance, call:
1-800-829-8374
Your Call ID: 818743
Notice Number: CP21B
Date: February 9, 2009

Taxpayer Identification Number:

Tax Form: 1040
Tax Year: December 31, 2005

006053 833328 0030 001 3 AT 0.366 756
|||...|||

REGGIE L. RAGSDALE

Amount of Refund

\$2,944.30

09033

For account of: REGGIE L. & JACQUE I. RAGSDALE

This is not a bill

We Changed Your Account

We will explain why you received this notice, how we changed your account, how this change affects you, and actions you may wish to take.

Why You Received This Notice

We changed your 2005 account to correct your self-employment tax.

The law requires us to send a copy of this notice to both you and your spouse. Each copy contains the same information about your joint account. We will issue only one refund.

Our action is the result of your inquiry of April 20, 2008.

How We Changed Your Account

We changed your account as follows:

Account balance before this change	None
Decrease in tax because of this change	\$2,142.17 CR
The Filing Late penalty previously charged was reduced	\$482.21 CR
The Late Payment penalty previously charged was reduced	\$4.91 CR
Decrease in interest previously charged*	\$314.01 CR
Amount to be refunded to you (if you owe no other taxes or other debts we are required to collect)	\$2,944.30

*If you claimed a tax deduction for this interest, remember to report it as income on your next tax return.

The overpayment of \$2,944.30 was applied to form 1040 for tax period ending 12/31/2008.

How This Affects You

You may have already received your refund by direct deposit or mail. If not, you can expect it in approximately 2 weeks. Your refund will include interest if applicable. We will notify you if any pending matters postpone your refund.

Other Actions You May Wish To Take

If you do not agree with the changes to your account or if you have questions about this notice, you may call 1-800-829-8374.

Retain a copy of this notice with your federal tax records.

For tax forms, instructions and information visit www.irs.gov. Access to this site will not provide you

REGGIE AND JACQUE RAGSDALE

CY 08

CHARITY	
MURRIETTA SPRINGS SDA.....	24095
ALL BALLS CHARITY.....	220
HEF	500
DONATIONS SDA.....	6973
WALLA WALLA COLLEGE..	535
MISSION IN INDIA/CATMANDU	8973

CONTRIBUTIONS..... 41296

MEDICAL:	
BLUE CROSS.....	4440
BLUE CROSS SE.....	-4440
DOCORS OFFICE VISITS	5741
TRAVEL.....	239

MEDICAL: 5980

SCHEDULES A&B
(Form 1040)

Department of the Treasury
Internal Revenue Service

Schedule A—Itemized Deductions

(Schedule B is on back)

OMB No. 1545-0074

2008

Attachment
Sequence No. 07

▶ Attach to Form 1040. ▶ See instructions for Schedules A&B (Form 1040).

Name(s) shown on Form 1040

REGGIE L. JACQUE L. RAGSDALE

Your social security number

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.				
	1	Medical and dental expenses (see page A-1).	1	5980	
	2	Enter amount from Form 1040, line 38	2		
	3	Multiply line 2 by 7.5% (.075)	3	5720	
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4		260
Taxes You Paid (See page A-2.)	5 State and local (check only one box):		5	946	
	a	<input type="checkbox"/> Income taxes, or			
	b	<input checked="" type="checkbox"/> General sales taxes	6	13904	
	6	Real estate taxes (see page A-5)	7	739	
	7	Personal property taxes	8		
	8	Other taxes. List type and amount ▶			
	9	Add lines 5 through 8	9		15589
Interest You Paid (See page A-5.)	10	Home mortgage interest and points reported to you on Form 1098	10	47653	
	11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-6 and show that person's name, identifying no., and address ▶	11		
	12	Points not reported to you on Form 1098. See page A-6 for special rules.	12		
	13	Qualified mortgage insurance premiums (see page A-6)	13		
	14	Investment interest. Attach Form 4952 if required. (See page A-6.)	14		
	15	Add lines 10 through 14	15		47653
Gifts to Charity If you made a gift and got a benefit for it, see page A-7.	16	Gifts by cash or check. If you made any gift of \$250 or more, see page A-7	16	41296	
	17	Other than by cash or check. If any gift of \$250 or more, see page A-8. You must attach Form 8283 if over \$500	17	498	
	18	Carryover from prior year	18		
	19	Add lines 16 through 18	19		41794
Casualty and Theft Losses	20	Casualty or theft loss(es). Attach Form 4684. (See page A-8.)	20		
Job Expenses and Certain Miscellaneous Deductions (See page A-9.)	21	Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-9.) ▶	21		
	22	Tax preparation fees	22	1200	
	23	Other expenses—investment, safe deposit box, etc. List type and amount ▶	23		
	24	Add lines 21 through 23	24	1200	
	25	Enter amount from Form 1040, line 38	25	1525	
	26	Multiply line 25 by 2% (.02)	26		
	27	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-	27		0
Other Miscellaneous Deductions	28	Other—from list on page A-10. List type and amount ▶	28		
Total Itemized Deductions	29	Is Form 1040, line 38, over \$159,950 (over \$79,975 if married filing separately)? <input type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40. <input type="checkbox"/> Yes. Your deduction may be limited. See page A-10 for the amount to enter.	29		105297
	30	If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>			

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.

REGGIE L. AND JACQUE L. RAGSDALE

Your social security number

[REDACTED]

Schedule B—Interest and Ordinary Dividends

Attachment Sequence No. 08

Part I Interest

(See page B-1 and the instructions for Form 1040, line 8a.)

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address ▶

FTID [REDACTED] OPTO K1
UNION BANK

Amount

42336
16

1

- 2 Add the amounts on line 1
- 3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815
- 4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a ▶

42352

2

3

42352

4

Note. If line 4 is over \$1,500, you must complete Part III.

Amount

Part II Ordinary Dividends

(See page B-1 and the instructions for Form 1040, line 9a.)

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

5 List name of payer ▶

5

6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a ▶

0

6

Note. If line 6 is over \$1,500, you must complete Part III.

Part III Foreign Accounts and Trusts

(See page B-2.)

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; or (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

Yes No

7a At any time during 2008, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1.

Yes No

b If "Yes," enter the name of the foreign country ▶

8 During 2008, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See page B-2

Yes No

SCHEDULE D
(Form 1040)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1040 or Form 1040NR. ▶ See instructions for Schedule D (Form 1040).
▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

OMB No. 1545-0074

2008

Attachment
Sequence No. 12

Name(s) shown on return

REGGIE L. JACQUE L. RAGSDALE

Your social security number

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-7 of the instructions)	(e) Cost or other basis (see page D-7 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
1					
2 Enter your short-term totals, if any, from Schedule D-1, line 2		2			
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d)		3			
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824					4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					5
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet on page D-7 of the instructions					6 ()
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f)					7

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-7 of the instructions)	(e) Cost or other basis (see page D-7 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
8					
9 Enter your long-term totals, if any, from Schedule D-1, line 9		9			
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d)		10			
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824					11
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					12 27022
13 Capital gain distributions. See page D-2 of the instructions					13
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet on page D-7 of the instructions					14 ()
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on the back					15 27022

Part III Summary

<p>16 Combine lines 7 and 15 and enter the result.</p>	<p>16</p>	<p>27022</p>
<p>If line 16 is:</p> <ul style="list-style-type: none"> • A gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below. • A loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22. • Zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22. 		
<p>17 Are lines 15 and 16 both gains? <input type="checkbox"/> Yes. Go to line 18. <input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.</p>		
<p>18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet on page D-8 of the instructions.</p>	<p>18</p>	
<p>19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet on page D-9 of the instructions.</p>	<p>19</p>	
<p>20 Are lines 18 and 19 both zero or blank? <input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 38 of the instructions for Form 1040 (or in the instructions for Form 1040NR). Do not complete lines 21 and 22 below. <input type="checkbox"/> No. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Schedule D Tax Worksheet on page D-10 of the instructions. Do not complete lines 21 and 22 below.</p>		
<p>21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of:</p> <ul style="list-style-type: none"> • The loss on line 16 or • (\$3,000), or if married filing separately, (\$1,500) 	<p>21</p>	
<p>Note. When figuring which amount is smaller, treat both amounts as positive numbers.</p>		
<p>22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b? <input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 38 of the instructions for Form 1040 (or in the instructions for Form 1040NR). <input type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.</p>		

Name(s) shown on return. Do not enter name and social security number if shown on other side.

REGGIE L. AND JACQUE L. RAGSDALE

Your social security number

Caution. The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? Yes No

Table with 5 columns: (a) Name, (b) Enter P for partnership, (c) Check if foreign partnership, (d) Employer identification number, (e) Check if any amount is not at risk. Rows include OPTOMETRIC CTR OF MORENO VALLEY, SAN ROSA CONSTRUCTION, OAK CREEK PROPERTIES LLC.

Table for Passive Income and Loss vs Nonpassive Income and Loss. Columns include (f) Passive loss allowed, (g) Passive income, (h) Nonpassive loss, (i) Section 179 expense deduction, (j) Nonpassive income. Totals for 29a, 29b, 30, 31, 32.

Part III Income or Loss From Estates and Trusts

Table with 2 columns: (a) Name, (b) Employer identification number. Rows A and B.

Table for Passive Income and Loss vs Nonpassive Income and Loss. Columns include (c) Passive deduction or loss allowed, (d) Passive income, (e) Deduction or loss, (f) Other income. Totals for 34a, 34b, 35, 36, 37.

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) - Residual Holder

Table with 5 columns: (a) Name, (b) Employer identification number, (c) Excess inclusion from Schedules G, line 2c, (d) Taxable income (net loss) from Schedules G, line 1b, (e) Income from Schedules G, line 3b. Row 38 and total 39.

Part V Summary

Summary table with 2 columns: Description, Amount. Rows 40-43 including Net farm rental income, Total income, Reconciliation of farming and fishing income, Reconciliation for real estate professionals.

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service

Supplemental Income and Loss

(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ See instructions for Schedule E (Form 1040).

OMB No. 1545-0074

2008

Attachment
Sequence No. 13

Name(s) shown on return

REGGIE L. JACQUE L. RAGSDALE

Your social security number

Part I **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see page E-3). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1	List the type and address of each rental real estate property:	2		Yes	No
		For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of:			
A	OAK CREEK PROPERTIES LLC	A			X
B		B			
C		C			

Income:	Properties			Totals (Add columns A, B, and C.)
	A	B	C	
3 Rents received	3 10019			3
4 Royalties received	4			4
Expenses:				
5 Advertising	5			
6 Auto and travel (see page E-4)	6			
7 Cleaning and maintenance	7			
8 Commissions	8			
9 Insurance	9			
10 Legal and other professional fees	10			
11 Management fees	11			
12 Mortgage interest paid to banks, etc. (see page E-5)	12			12
13 Other interest	13			
14 Repairs	14			
15 Supplies	15			
16 Taxes	16			
17 Utilities	17			
18 Other (list) ▶	18			
19 Add lines 5 through 18	19			19
20 Depreciation expense or depletion (see page E-5)	20			20
21 Total expenses. Add lines 19 and 20	21			
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-5 to find out if you must file Form 6198	22 10019			
23 Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file Form 6582. Real estate professionals must complete line 43 on page 2	23			10019
24 Income. Add positive amounts shown on line 22. Do not include any losses	24			
25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here.	25			
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.	26			10019

SCHEDULE SE
(Form 1040)

Department of the Treasury
Internal Revenue Service

Self-Employment Tax

▶ Attach to Form 1040. ▶ See instructions for Schedule SE (Form 1040).

OMB No. 1545-0074

2008

Attachment
Sequence No. 17

Name of person with self-employment income (as shown on Form 1040)

REGGIE L. RAGSDALE

Social security number of person
with self-employment income ▶

Who Must File Schedule SE

You must file Schedule SE if:

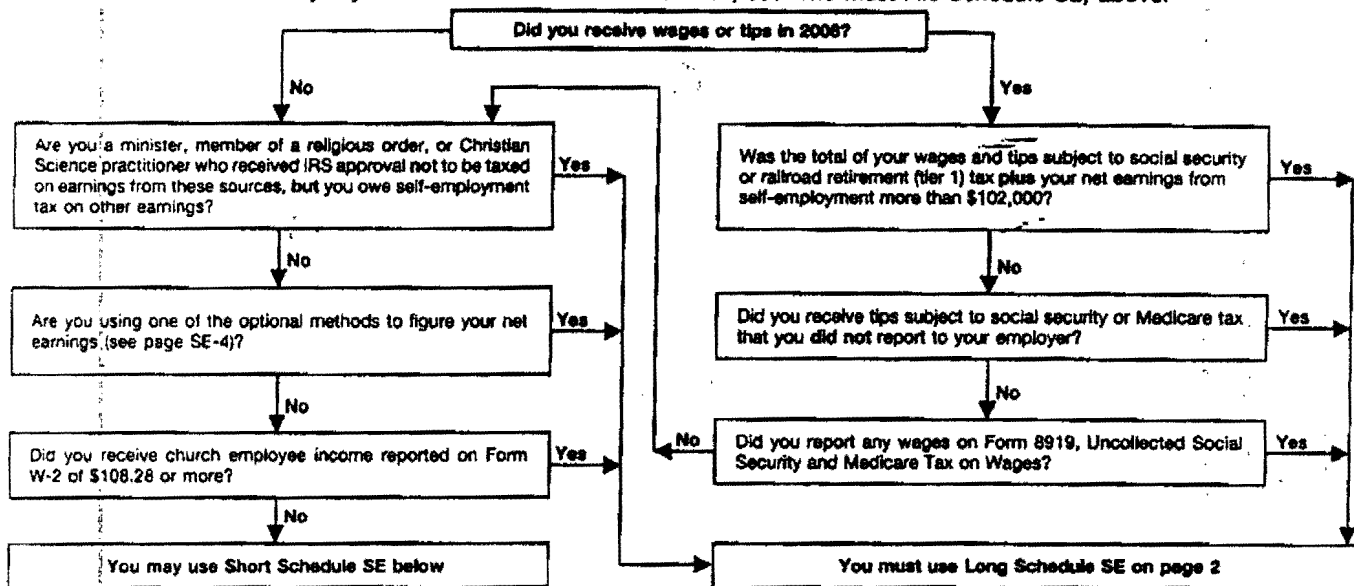
- You had net earnings from self-employment from other than church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, or
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order is not church employee income (see page SE-1).

Note. Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see page SE-4).

Exception. If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361 and received IRS approval not to be taxed on those earnings, do not file Schedule SE. Instead, write "Exempt—Form 4361" on Form 1040, line 57.

May I Use Short Schedule SE or Must I Use Long Schedule SE?

Note. Use this flowchart only if you must file Schedule SE. If unsure, see *Who Must File Schedule SE*, above.



Section A—Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.

1a	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A		
1b	If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 6b, or listed on Schedule K-1 (Form 1065), box 20, code X		
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see page SE-1 for types of income to report on this line. See page SE-3 for other income to report	10000 (5) (8367)	GP K1 K1
3	Combine lines 1a, 1b, and 2	1628	
4	Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax	1503	
5	Self-employment tax. If the amount on line 4 is: • \$102,000 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 57. • More than \$102,000, multiply line 4 by 2.9% (.029). Then, add \$12,648 to the result. Enter the total here and on Form 1040, line 57	230	
6	Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 27	150	

4868

Application for Automatic Extension of Time To File U.S. Individual Income Tax Return

OMB No. 1545-0074

2008

Department of the Treasury Internal Revenue Service

For calendar year 2008, or other tax year beginning 2005, ending 200

Caution: Incorrect or missing information may cause a delay in processing.

Part I Identification

Part II Individual Income Tax

1 Your name(s) (see instructions)
REGGIE & JACQUE RAGSDALE

Address (see instructions)
 [REDACTED]

City, town, or post office State ZIP code
 [REDACTED] [REDACTED] [REDACTED]

2 Your social security number 3 Spouse's social security number
 [REDACTED] [REDACTED]

4 Estimate of total tax liability for 2005 \$ _____

5 Total 2005 payments _____

6 Balance due. Subtract line 5 from line 4 (see instructions) 0

7 Amount you are paying (see instructions) NONE

8 Check here if you are "out of the country" and a U.S. citizen or resident

or Privacy Act and Paperwork Reduction Act Notice, see page 4.

Cat. No. 13141W

Form 4868 (2005)

2008 California Adjustments - Residents

CA (540)

Important: Attach this schedule behind Form 540, Side 2 as a supporting California schedule.

Name(s) as shown on return

REGGIE L. JACQUE L. RAGSDALE

SSN or ITIN

Part I Income Adjustment Schedule

Section A - Income

Table with columns: Federal Adjustments (taxable amounts from your federal return), Subtractions (See instructions), Additions (See instructions). Rows include: 7 Wages, salaries, tips, etc.; 8 Taxable interest income; 9 Ordinary dividends; 10 Taxable refunds, credits, offsets of state and local income taxes; 11 Alimony received; 12 Business income or (loss); 13 Capital gain or (loss); 14 Other gains or (losses); 15 Total IRA distributions; 16 Total pensions and annuities; 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc.; 18 Farm income or (loss); 19 Unemployment compensation; 20 Social security benefits; 21 Other income (California lottery winnings, disaster loss carryover, federal NOL, NOL carryover); 22 Total.

Section B - Adjustments to Income

Table with columns: Federal Adjustments (taxable amounts from your federal return), Subtractions (See instructions), Additions (See instructions). Rows include: 23 Educator expenses; 24 Certain business expenses of reservists, performing artists, and fee-basis government officials; 25 Health savings account deduction; 26 Moving expenses; 27 One-half of self-employment tax; 28 Self-employed SEP, SIMPLE, and qualified plans; 29 Self-employed health insurance deduction; 30 Penalty on early withdrawal of savings; 31a Alimony paid; 32 IRA deduction; 33 Student loan interest deduction; 34 Tuition and fees deduction; 35 Domestic production activities deduction; 36 Add line 23 through line 31a and line 32 through line 35 in columns A, B, and C; 37 Total.

U.S. Return of Partnership Income

For calendar year 2008, or tax year beginning 2008, ending 20.....
▶ See separate instructions.

2008

A Principal business activity OPTOMETRY	Use the IRS label. Otherwise, print or type.	Name of partnership OPTOMETRIC CTR OF MORENO VLLY	D Employer identification number [REDACTED]
B Principal product or service SERVICE		Nu c/o REGGIE L. RAGSDALE	E Date business started 010191
C Business code number 812112		CR [REDACTED]	F Total assets (see the instructions) \$ NOT REQUIRED

G Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return (6) Technical termination - also check (1) or (2)

H Check accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ **TWO**

J Check if Schedule M-3 attached.

Caution. Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a Gross receipts or sales	1a		1c	93394
	b Less returns and allowances	1b			
	2 Cost of goods sold (Schedule A, line 8)			2	0
	3 Gross profit. Subtract line 2 from line 1c.			3	93394
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement).			4	0
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5	0
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			6	0
	7 Other income (loss) (attach statement)			7	0
8 Total income (loss). Combine lines 3 through 7			8	93394	
Deductions (see the instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)			9	0
	10 Guaranteed payments to partners			10	10000
	11 Repairs and maintenance			11	0
	12 Bad debts			12	0
	13 Rent			13	21015
	14 Taxes and licenses			14	100
	15 Interest			15	15600
	16a Depreciation (if required, attach Form 4562)	16a			
	b Less depreciation reported on Schedule A and elsewhere on return	16b		16c	0
	17 Depletion (Do not deduct oil and gas depletion.)			17	0
	18 Retirement plans, etc.			18	0
	19 Employee benefit programs			19	0
	20 Other deductions (attach statement)			20	46683
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20			21	93339
22 Ordinary business income (loss). Subtract line 21 from line 8			22	(5)	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

Sign Here

Signature of general partner or limited liability company member manager: **REGGIE L. RAGSDALE** Date: **091509**

Preparer's signature: **M. P. UMBERGER** Date: **091509** Check if self-employed Preparer's SSN or PTIN: [REDACTED]

Firm's name (or yours if self-employed), address, and ZIP code: [REDACTED] EIN: [REDACTED] Phone no.: [REDACTED]

Part II Adjustments to Federal Itemized Deductions

38	Federal itemized deductions. Add the amounts on federal Schedule A (Form 1040), lines 4, 9, 15, 19, 20, 27, and 28	38	105297
39	Enter total of federal Schedule A (Form 1040), line 5 (State Disability Insurance, and state and local income tax, or General Sales Tax) and line 8 (foreign income taxes only). See instructions	39	946
40	Subtract line 39 from line 38	40	104351
41	Other adjustments including California lottery losses. See instructions. Specify	41	0
42	Combine line 40 and line 41	42	104351
43	Is your federal AGI (Form 540, line 13) more than the amount shown below for your filing status?		
	Single or married/RDP filing separately		\$163,187
	Head of household		\$244,765
	Married/RDP filing jointly or qualifying widow(er)		\$326,379
	No. Transfer the amount on line 42 to line 43		
	Yes. Complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540), line 43	43	104351
44	Enter the larger of the amount on line 43 or your standard deduction listed below		
	Single or married/RDP filing separately		\$3,892
	Married/RDP filing jointly, head of household, or qualifying widow(er)		\$7,384
	Transfer the amount on line 44 to Form 540, line 18	44	104351

Schedule A Cost of Goods Sold (see the instructions)

1	Inventory at beginning of year	
2	Purchases less cost of items withdrawn for personal use	
3	Cost of labor	
4	Additional section 263A costs (attach statement)	
5	Other costs (attach statement)	
6	Total. Add lines 1 through 5	
7	Inventory at end of year	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	

- 9a Check all methods used for valuing closing inventory:
- (i) Cost as described in Regulations section 1.471-3.
 - (ii) Lower of cost or market as described in Regulations section 1.471-4
 - (iii) Other (specify method used and attach explanation) ▶
- b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ▶
- c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶
- d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? Yes No
- e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation.

Schedule B Other Information

- 1 What type of entity is filing this return? Check the applicable box:
- | | | |
|--|---|--------|
| a <input checked="" type="checkbox"/> Domestic general partnership | b <input type="checkbox"/> Domestic limited partnership | Yes No |
| c <input type="checkbox"/> Domestic limited liability company | d <input type="checkbox"/> Domestic limited liability partnership | |
| e <input type="checkbox"/> Foreign partnership | f <input type="checkbox"/> Other ▶ | |

2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person? X

3 At the end of the tax year:

a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), or trust own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below X

(i) Name of Individual or Estate	(ii) Social Security Number or Employer Identification Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
REGGIE L. RAGSDALE	██████████	USA	98%

4 At the end of the tax year, did the partnership:

a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

**Application for Automatic 6-Month Extension of Time To File
 Certain Business Income Tax, Information, and Other Returns**

OMB No. 1545-0233

► **File a separate application for each return.**

Type or Print File by the due date for the return for which an extension is requested. See instructions.	Name	Identifying number
	OPTOMETRIC CENTER OF MORENO VALLEY	[REDACTED]
	Number, street, and room or suite no. (if P.O. box, see instructions.) [REDACTED]	
City, town, state, and ZIP code (if a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)). [REDACTED]		

Note. See instructions before completing this form.

- 1 Enter the form code for the return that this application is for (see below) 09
- 2 If the foreign corporation does not have an office or place of business in the United States, check here
- 3 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here . . .
- 4a The application is for calendar year 2008, or tax year beginning 20 and ending 20
- b Short tax year. If this tax year is less than 12 months, check the reason:
 Initial return Final return Change in accounting period Consolidated return to be filed
- 5 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here ►
 If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.
- 6 Tentative total tax

6		
7		
8	NONE	
- 7 Total payments and credits (see instructions)
- 8 Balance due. Subtract line 7 from line 6. Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW) (see instructions for exceptions)

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-H	17
Form 706-GS(T)	02	Form 1120-L	18
Form 990-C (2005 fiscal year filers only)	03	Form 1120-ND	19
Form 1041 (estate)	04	Form 1120-ND (section 4951 taxes)	20
Form 1041 (trust)	05	Form 1120-PC	21
Form 1041-N	06	Form 1120-POL	22
Form 1041-QFT	07	Form 1120-REIT	23
Form 1042	08	Form 1120-RIC	24
Form 1065	09	Form 1120-S	25
Form 1065-B	10	Form 1120-SF	26
Form 1068	11	Form 3520-A	27
Form 1120	12	Form 8612	28
Form 1120 (sub T) (2005 fiscal year filers only)	13	Form 8613	29
Form 1120-A	14	Form 8725	30
Form 1120-C	14	Form 8804	31
Form 1120-F	15	Form 8831	32
Form 1120-FSC	16	Form 8876	33

OPTOMETRIC CENTER OF MORENO VALLEY [REDACTED] CY08

JANUARY THRU DECEMBER 31, 2008

GROSS REVENUES.DAILY RATE 350/DA*166 DAYS...	93394
COST OF GOODS SOLD:	0
GROSS PROFIT	93394
ORD INC FROM OTHER PARTNERSHIPS	0
FROM 4797.....	0
OTHER INTERST.....	0

TOTAL INCOME.....	93394
DEDUCTIONS	
SALARIES.....	0
GUAR PAYMNTS.....	10000
REPAIRS	0
BAD DEBTS	0
RENT.....	21015
TAXES	100
INTEREST.....	15600
DEPRECIATION	0
RETIRMNT	0
EMPLOY BEN	0
OTHER.....	46683

TOTAL DEDUCTIONS.....	93399

NET INCOME.....	-5
	=====

[The page contains extremely faint and illegible text, likely due to low contrast or a very light scan. The text is arranged in approximately 15 horizontal lines across the page, but no individual words or phrases can be discerned.]

**SCHEDULE D
(Form 1065)**

Capital Gains and Losses

OMB No. 1545-0099

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1065.

▶ See separate instructions.

2008

Name of partnership

OPTOMETRIC CENTERS OF MORENO VALLEY

Employer identification number

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Description of property (Example: 100 shares of "Z" Co.)	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
1					
2	Short-term capital gain from installment sales from Form 6252, line 26 or 37				2
3	Short-term capital gain (loss) from like-kind exchanges from Form 8824				3
4	Partnership's share of net short-term capital gain (loss), including specially allocated short-term capital gains (losses), from other partnerships, estates, and trusts				4
5	Net short-term capital gain or (loss). Combine lines 1 through 4 in column (f). Enter here and on Form 1065, Schedule K, line 8 or 11				5

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

(a) Description of property (Example: 100 shares of "Z" Co.)	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)	
6						
7	Long-term capital gain from installment sales from Form 6252, line 26 or 37				7	27022
8	Long-term capital gain (loss) from like-kind exchanges from Form 8824				8	
9	Partnership's share of net long-term capital gain (loss), including specially allocated long-term capital gains (losses), from other partnerships, estates, and trusts				9	
10	Capital gain distributions				10	
11	Net long-term capital gain or (loss). Combine lines 6 through 10 in column (f). Enter here and on Form 1065, Schedule K, line 9a or 11				11	27022

For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Cat. No. 11383G

Schedule D (Form 1065) 2008

OPTOMETRIC CENTER OF MORENO VALLEY [REDACTED] CY08

OTHER	ADVERTISING PROMOTIONS		332
	AIRFARE		423
	AMORTZTN BUS DEVLPMNT		1636
	BANK- CHRGS		134
	CELLUAR TELEPHONE VERIZON		4652
	CHRISTMAS PARTY		336
	COMMUNITY CHEST		75
	COMPANY RETREAT CO		9208
	CONTINUING EDUCATION-SEMINAR		1541
	DUES DEA LIC & REG		551
	ENTERTAINMNT/MEALS	878	439
	LODGING		8547
	LAUNDRY CLEANING		208
	LEGAL PROFSSNL FEES		2400
	LICENSES		50
	MANGMNT MARKETING SERVICES		12
	MEMBERSHIPS		90
	MILEAGE RMBRS-MV	21632	11789
	OFFICE EXP		129
	OPTOMETRY DUES NATIONAL&CAL		1200
	POSTAGE		126
	TELEPHONE		156
	TRAVEL @IRS MIN PR DM..		2418
	UNIFORMS		87
	WASTE MNGMNT		144
	TOTAL OTHERS.....		46683
			=====

Installment Sale Income

Department of the Treasury
Internal Revenue Service

▶ Attach to your tax return.
▶ Use a separate form for each sale or other disposition of property on the installment method.

Name(s) shown on return
OPTOMETRIC CENTERS OF MORENO VALLEY

Identifying number
[REDACTED]

- 1 Description of property ▶ 1/3 INTEREST OF OPTOMETRIC CENTERS
- 2a Date acquired (month, day, year) ▶ 01 / 01 / 93 b Date sold (month, day, year) ▶ 01 / 01 / 06
- 3 Was the property sold to a related party (see instructions) after May 14, 1980? If "No," skip line 4. Yes No
- 4 Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III for the year of sale and the 2 years after the year of sale. Yes No

Part I Gross Profit and Contract Price. Complete this part for the year of sale only.

5	Selling price including mortgages and other debts. Do not include interest whether stated or unstated	5	
6	Mortgages, debts, and other liabilities the buyer assumed or took the property subject to (see instructions)	6	
7	Subtract line 6 from line 5	7	
8	Cost or other basis of property sold	8	
9	Depreciation allowed or allowable	9	
10	Adjusted basis. Subtract line 9 from line 8	10	
11	Commissions and other expenses of sale	11	
12	Income recapture from Form 4797, Part III (see instructions)	12	
13	Add lines 10, 11, and 12	13	
14	Subtract line 13 from line 5. If zero or less, do not complete the rest of this form (see instructions)	14	
15	If the property described on line 1 above was your main home, enter the amount of your excluded gain (see instructions). Otherwise, enter -0-	15	
16	Gross profit. Subtract line 15 from line 14	16	
17	Subtract line 13 from line 6. If zero or less, enter -0-	17	
18	Contract price. Add line 7 and line 17	18	

Part II Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

19	Gross profit percentage (expressed as a decimal amount). Divide line 16 by line 18. For years after the year of sale, see instructions.	19	51.67%
20	If this is the year of sale, enter the amount from line 17. Otherwise, enter -0-	20	
21	Payments received during year (see instructions). Do not include interest, whether stated or unstated	21	52300
22	Add lines 20 and 21	22	52300
23	Payments received in prior years (see instructions). Do not include interest, whether stated or unstated	23	101122
24	Installment sale income. Multiply line 22 by line 19	24	27022
25	Enter the part of line 24 that is ordinary income under the recapture rules (see instructions).	25	
26	Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797 (see instructions)	26	27022

Part III Related Party Installment Sale Income. Do not complete if you received the final payment this tax year.

27 Name, address, and taxpayer identifying number of related party VINCE K. RAGSDALE
AND ETHAN CLAYTON

28 Did the related party resell or dispose of the property ("second disposition") during this tax year? Yes No

29 If the answer to question 28 is "Yes," complete lines 30 through 37 below unless one of the following conditions is met. Check the box that applies.

- a The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (month, day, year) ▶ / /
- b The first disposition was a sale or exchange of stock to the issuing corporation.
- c The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.
- d The second disposition occurred after the death of the original seller or buyer.
- e It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation (see instructions).

30	Selling price of property sold by related party (see instructions)	30	
31	Enter contract price from line 18 for year of first sale	31	
32	Enter the smaller of line 30 or line 31	32	
33	Total payments received by the end of your 2008 tax year (see instructions)	33	
34	Subtract line 33 from line 32. If zero or less, enter -0-	34	
35	Multiply line 34 by the gross profit percentage on line 19 for year of first sale	35	
36	Enter the part of line 35 that is ordinary income under the recapture rules (see instructions).	36	
37	Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797 (see instructions)	37	

Schedule K-1 (Form 1065)

08

Department of the Treasury Internal Revenue Service

For calendar year 2008, or tax year beginning ending 2008 20

Final K-1 Amended K-1

OMB No. 1545-0099

Partner's Share of Income, Deductions, Credits, etc. See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
B Partnership's name, address, city, state, and ZIP code
OPTOMETRIC CTR OF MORENO VLLY
C/O REGGIE L. RAGSDALE
C IRS Center where partnership filed return
OGDEN UTAH
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
572 08 3069
F Partner's name, address, city, state, and ZIP code
JACQUE L. RAGSDALE

G General partner or LLC member-manager Limited partner or other LLC member
H Domestic partner Foreign partner

I What type of entity is this partner? INDIVIDUAL

J Partner's share of profit, loss, and capital (see instructions):
Table with columns: Beginning, Ending, Profit, Loss, Capital

K Partner's share of liabilities at year end:
Table with columns: Nonrecourse, Qualified nonrecourse financing, Recourse

L Partner's capital account analysis:
Table with rows: Beginning capital account, Capital contributed during the year, Current year increase (decrease), Withdrawals & distributions, Ending capital account

Tax basis GAAP Section 704(b) book Other (explain)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 2 columns: Item number and Description. Rows include: 1 Ordinary business income (loss) 0, 2 Net rental real estate income (loss), 3 Other net rental income (loss), 4 Guaranteed payments, 5 Interest income 847, 6a Ordinary dividends, 6b Qualified dividends, 7 Royalties, 8 Net short-term capital gain (loss), 9a Net long-term capital gain (loss) 540, 9b Collectibles (28%) gain (loss), 9c Unrecaptured section 1250 gain, 10 Net section 1231 gain (loss), 11 Other income (loss), 12 Section 179 deduction, 13 Other deductions, 14 Self-employment earnings (loss) 0

*See attached statement for additional information.

For IRS Use Only

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

	Code	Report on
1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.		
Passive loss		
Passive income		
Nonpassive loss		
Nonpassive income		
2. Net rental real estate income (loss)		
3. Other net rental income (loss)		
Net income		
Net loss		
4. Guaranteed payments		
5. Interest income		
6a. Ordinary dividends		
6b. Qualified dividends		
7. Royalties		
8. Net short-term capital gain (loss)		
9a. Net long-term capital gain (loss)		
9b. Collectibles (28%) gain (loss)		
9c. Unrecaptured section 1250 gain		
10. Net section 1231 gain (loss)		
11. Other income (loss)		
Code		
A Other portfolio income (loss)		
B Involuntary conversions		
C Sec. 1256 contracts & straddles		
D Mining exploration costs recapture		
E Cancellation of debt		
F Other income (loss)		
12. Section 179 deduction		
13. Other deductions		
A Cash contributions (50%)		
B Cash contributions (30%)		
C Noncash contributions (50%)		
D Noncash contributions (30%)		
E Capital gain property to a 50% organization (30%)		
F Capital gain property (20%)		
G Contributions (100%)		
H Investment interest expense		
I Deductions—royalty income		
J Section 59(e)(2) expenditures		
K Deductions—portfolio (2% floor)		
L Deductions—portfolio (other)		
M Amounts paid for medical insurance		
N Educational assistance benefits		
O Dependent care benefits		
P Preproductive period expenses		
Q Commercial revitalization deduction from rental real estate activities		
R Pensions and IRAs		
S Reforestation expense deduction		
T Domestic production activities information		
U Qualified production activities income		
V Employer's Form W-2 wages		
W Other deductions		
14. Self-employment earnings (loss)		
Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		
A Net earnings (loss) from self-employment		
B Gross farming or fishing income		
C Gross non-farm income		
15. Credits		
A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings		
B Low-income housing credit (other) from pre-2008 buildings		
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings		
D Low-income housing credit (other) from post-2007 buildings		
E Qualified rehabilitation expenditures (rental real estate)		
F Other rental real estate credits		
G Other rental credits		
H Undistributed capital gains credit		
I Alcohol and cellulosic biofuel fuels credit		
Code		
J Work opportunity credit		
K Disabled access credit		
L Empowerment zone and renewal community employment credit		
M Credit for increasing research activities		
N Credit for employer social security and Medicare taxes		
O Backup withholding		
P Other credits		
16. Foreign transactions		
A Name of country or U.S. possession		
B Gross income from all sources		
C Gross income sourced at partner level		
Foreign gross income sourced at partnership level		
D Passive category		
E General category		
F Other		
Deductions allocated and apportioned at partner level		
G Interest expense		
H Other		
Deductions allocated and apportioned at partnership level to foreign source income		
I Passive category		
J General category		
K Other		
Other information		
L Total foreign taxes paid		
M Total foreign taxes accrued		
N Reduction in taxes available for credit		
O Foreign trading gross receipts		
P Extraterritorial income exclusion		
Q Other foreign transactions		
17. Alternative minimum tax (AMT) items		
A Post-1986 depreciation adjustment		
B Adjusted gain or loss		
C Depletion (other than oil & gas)		
D Oil, gas, & geothermal—gross income		
E Oil, gas, & geothermal—deductions		
F Other AMT items		
18. Tax-exempt income and nondeductible expenses		
A Tax-exempt interest income		
B Other tax-exempt income		
C Nondeductible expenses		
19. Distributions		
A Cash and marketable securities		
B Other property		
C Distribution subject to section 737		
Other information		
A Investment income		
B Investment expenses		
C Fuel tax credit information		
D Qualified rehabilitation expenditures (other than rental real estate)		
E Basis of energy property		
F Recapture of low-income housing credit (section 42(j)(5))		
G Recapture of low-income housing credit (other)		
H Recapture of investment credit		
I Recapture of other credits		
J Look-back interest—completed long-term contracts		
K Look-back interest—income forecast method		
L Dispositions of property with section 179 deductions		
M Recapture of section 179 deduction		
N Interest expense for corporate partners		
O Section 453(j)(3) information		
P Section 453A(c) information		
Q Section 1260(b) information		
R Interest allocable to production expenditures		
S CCF nonqualified withdrawals		
T Depletion information—oil and gas		
U Amortization of reforestation costs		
V Unrelated business taxable income		
W Precontribution gain (loss)		
X Other information		

Schedule K-1 (Form 1065)

08

Department of the Treasury Internal Revenue Service

For calendar year 2008, or tax year beginning 2008 ending 20

Final K-1 Amended K-1 OMB No. 1545-0099

Partner's Share of Income, Deductions, Credits, etc. See back of form and separate instructions.

Part I Information About the Partnership

Part I Information About the Partnership. A Partnership's employer identification number. B Partnership's name, address, city, state, and ZIP code: OPTOMETRIC CTR OF MORENO VLLY c/o REGGIE L. RAGSDALE. C IRS Center where partnership filed return: OGDEN UTAH. D Check if this is a publicly traded partnership (PTP).

Part II Information About the Partner

Part II Information About the Partner. E Partner's identifying number. F Partner's name, address, city, state, and ZIP code: REGGIE L. RAGSDALE. G General partner or LLC member-manager. H Domestic partner. I What type of entity is this partner? INDIVIDUAL. J Partner's share of profit, loss, and capital (see instructions): Beginning Ending Profit 98% 98% Loss 98% 98% Capital 98% 98%. K Partner's share of liabilities at year end: Nonrecourse 98% Qualified nonrecourse financing 98% Recourse 98%

L Partner's capital account analysis: Beginning capital account Capital contributed during the year Current year increase (decrease) Withdrawals & distributions Ending capital account

Partner's capital account analysis (continued): Tax basis GAAP Section 704(b) book Other (explain)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 2 columns: Description and Amount. 1 Ordinary business income (loss) (5) 2 Net rental real estate income (loss) 3 Other net rental income (loss) 4 Guaranteed payments 10000 5 Interest income 41489 6a Ordinary dividends 6b Qualified dividends 7 Royalties 8 Net short-term capital gain (loss) 9a Net long-term capital gain (loss) 26482 9b Collectibles (28%) gain (loss) 9c Unrecaptured section 1250 gain 10 Net section 1231 gain (loss) 11 Other income (loss) 12 Section 179 deduction 13 Other deductions 14 Self-employment earnings (loss) 9995 15 Credits 16 Foreign transactions 17 Alternative minimum tax (AMT) items 18 Tax-exempt income and nondeductible expenses 19 Distributions 20 Other information

*See attached statement for additional information.

For IRS Use Only

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

<p>1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.</p> <p style="padding-left: 20px;"><i>Report on</i></p> <p>Passive loss See the Partner's Instructions</p> <p>Passive income Schedule E, line 28, column (g)</p> <p>Nonpassive loss Schedule E, line 28, column (h)</p> <p>Nonpassive income Schedule E, line 28, column (i)</p> <p>2. Net rental real estate income (loss) See the Partner's Instructions</p> <p>3. Other net rental income (loss)</p> <p>Net income Schedule E, line 28, column (g)</p> <p>Net loss See the Partner's Instructions</p> <p>4. Guaranteed payments Schedule E, line 28, column (i)</p> <p>5. Interest income Form 1040, line 8a</p> <p>6a. Ordinary dividends Form 1040, line 9a</p> <p>6b. Qualified dividends Form 1040, line 9b</p> <p>7. Royalties Schedule E, line 4</p> <p>8. Net short-term capital gain (loss) Schedule D, line 5, column (f)</p> <p>9a. Net long-term capital gain (loss) Schedule D, line 12, column (f)</p> <p>9b. Collectibles (28%) gain (loss) 28% Rate Gain Worksheet, line 4 (Schedule D instructions)</p> <p>9c. Unrecaptured section 1250 gain See the Partner's Instructions</p> <p>10. Net section 1231 gain (loss) See the Partner's Instructions</p> <p>11. Other income (loss)</p> <p style="padding-left: 20px;"><i>Code</i></p> <p>A Other portfolio income (loss) See the Partner's Instructions</p> <p>B Involuntary conversions See the Partner's Instructions</p> <p>C Sec. 1256 contracts & straddles Form 6781, line 1</p> <p>D Mining exploration costs recapture See Pub. 535</p> <p>E Cancellation of debt Form 1040, line 21 or Form 982</p> <p>F Other income (loss) See the Partner's Instructions</p> <p>12. Section 179 deduction See the Partner's Instructions</p> <p>13. Other deductions</p> <p>A Cash contributions (50%)</p> <p>B Cash contributions (30%)</p> <p>C Noncash contributions (50%)</p> <p>D Noncash contributions (30%)</p> <p>E Capital gain property to a 50% organization (30%)</p> <p>F Capital gain property (20%)</p> <p>G Contributions (100%)</p> <p>H Investment interest expense</p> <p>I Deductions—royalty income Form 4952, line 1</p> <p>J Section 59(e)(2) expenditures Schedule E, line 18</p> <p>K Deductions—portfolio (2% floor) See the Partner's Instructions</p> <p>L Deductions—portfolio (other) Schedule A, line 23</p> <p>M Amounts paid for medical insurance Schedule A, line 28</p> <p>N Educational assistance benefits Schedule A, line 1 or Form 1040, line 29</p> <p>O Dependent care benefits See the Partner's Instructions</p> <p>P Preproductive period expenses Form 2441, line 14</p> <p>Q Commercial revitalization deduction from rental real estate activities See the Partner's Instructions</p> <p>R Pensions and IRAs See Form 8582 instructions</p> <p>S Reforestation expense deduction See the Partner's Instructions</p> <p>T Domestic production activities information See the Partner's Instructions</p> <p>U Qualified production activities income See Form 8903 instructions</p> <p>V Employer's Form W-2 wages Form 8903, line 7</p> <p>W Other deductions Form 8903, line 15</p> <p>See the Partner's Instructions</p> <p>14. Self-employment earnings (loss)</p> <p>Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.</p> <p>A Net earnings (loss) from self-employment Schedule SE, Section A or B</p> <p>B Gross farming or fishing income See the Partner's Instructions</p> <p>C Gross non-farm income See the Partner's Instructions</p> <p>15. Credits</p> <p>A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings See the Partner's Instructions</p> <p>B Low-income housing credit (other) from pre-2008 buildings See the Partner's Instructions</p> <p>C Low-income housing credit (section 42(j)(5)) from post-2007 buildings Form 8586, line 11</p> <p>D Low-income housing credit (other) from post-2007 buildings Form 8586, line 11</p> <p>E Qualified rehabilitation expenditures (rental real estate)</p> <p>F Other rental real estate credits</p> <p>G Other rental credits</p> <p>H Undistributed capital gains credit See the Partner's Instructions</p> <p>I Alcohol and cellulosic biofuel fuels credit Form 1040, line 68; check box a</p> <p>Form 6478, line 9</p>	<p style="padding-left: 20px;"><i>Code</i></p> <p>J Work opportunity credit</p> <p>K Disabled access credit</p> <p>L Empowerment zone and renewal community employment credit</p> <p>M Credit for increasing research activities</p> <p>N Credit for employer social security and Medicare taxes</p> <p>O Backup withholding</p> <p>P Other credits</p> <p>16. Foreign transactions</p> <p>A Name of country or U.S. possession</p> <p>B Gross income from all sources</p> <p>C Gross income sourced at partner level</p> <p>Foreign gross income sourced at partnership level</p> <p>D Passive category</p> <p>E General category</p> <p>F Other</p> <p>Deductions allocated and apportioned at partner level</p> <p>G Interest expense</p> <p>H Other</p> <p>Deductions allocated and apportioned at partnership level to foreign source income</p> <p>I Passive category</p> <p>J General category</p> <p>K Other</p> <p>Other information</p> <p>L Total foreign taxes paid —</p> <p>M Total foreign taxes accrued</p> <p>N Reduction in taxes available for credit</p> <p>O Foreign trading gross receipts</p> <p>P Extraterritorial income exclusion</p> <p>Q Other foreign transactions</p> <p>17. Alternative minimum tax (AMT) items</p> <p>A Post-1986 depreciation adjustment</p> <p>B Adjusted gain or loss</p> <p>C Depletion (other than oil & gas)</p> <p>D Oil, gas, & geothermal—gross income</p> <p>E Oil, gas, & geothermal—deductions</p> <p>F Other AMT items</p> <p>18. Tax-exempt income and nondeductible expenses</p> <p>A Tax-exempt interest income</p> <p>B Other tax-exempt income</p> <p>C Nondeductible expenses</p> <p>19. Distributions</p> <p>A Cash and marketable securities</p> <p>B Other property</p> <p>C Distribution subject to section 737</p> <p>20. Other information</p> <p>A Investment income</p> <p>B Investment expenses</p> <p>C Fuel tax credit information</p> <p>D Qualified rehabilitation expenditures (other than rental real estate)</p> <p>E Basis of energy property</p> <p>F Recapture of low-income housing credit (section 42(j)(5))</p> <p>G Recapture of low-income housing credit (other)</p> <p>H Recapture of investment credit</p> <p>I Recapture of other credits</p> <p>J Look-back interest—completed long-term contracts</p> <p>K Look-back interest—income forecast method</p> <p>L Dispositions of property with section 179 deductions</p> <p>M Recapture of section 179 deduction</p> <p>N Interest expense for corporate partners</p> <p>O Section 453(f)(3) information</p> <p>P Section 453A(c) information</p> <p>Q Section 1260(b) information</p> <p>R Interest allocable to production expenditures</p> <p>S CCF nonqualified withdrawals</p> <p>T Depletion information—oil and gas</p> <p>U Amortization of reforestation costs</p> <p>V Unrelated business taxable income</p> <p>W Precontribution gain (loss)</p> <p>X Other information</p>	<p><i>Report on</i></p> <p>Form 5884, line 3</p> <p>See the Partner's Instructions</p> <p>Form 8844, line 3</p> <p>See the Partner's Instructions</p> <p>Form 8846, line 5</p> <p>Form 1040, line 62</p> <p>See the Partner's Instructions</p> <p>Form 1116, Part I</p> <p>Form 1116, Part I</p> <p>Form 1116, Part I</p> <p>Form 1116, Part I</p> <p>Form 1116, Part II</p> <p>Form 1116, Part II</p> <p>Form 1116, line 12</p> <p>Form 8873</p> <p>Form 8873</p> <p>See the Partner's Instructions</p> <p>See the Partner's Instructions and the Instructions for Form 6251</p> <p>Form 1040, line 8b</p> <p>See the Partner's Instructions</p> <p>See the Partner's Instructions</p> <p>Form 4952, line 4a</p> <p>Form 4952, line 5</p> <p>Form 4136</p> <p>See the Partner's Instructions</p> <p>See the Partner's Instructions</p> <p>Form 8611, line 8</p> <p>Form 8611, line 8</p> <p>See Form 4255</p> <p>See the Partner's Instructions</p> <p>See Form 8697</p> <p>See Form 8866</p> <p>See the Partner's Instructions</p> <p>See the Partner's Instructions</p> <p>See the Partner's Instructions</p> <p>See the Partner's Instructions</p>
---	--	--

Schedule K Partners' Distributions Share Items

		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	(5)
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach statement)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Guaranteed payments	4	10000
	5 Interest income	5	42336
	6 Dividends: a Ordinary dividends	6a	
	b Qualified dividends	6b	
	7 Royalties	7	
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	27022	
b Collectibles (28%) gain (loss)	9b		
c Unrecaptured section 1250 gain (attach statement)	9c		
10 Net section 1231 gain (loss) (attach Form 4797)	10		
11 Other income (loss) (see instructions) Type ▶	11		
Deductions	12 Section 179 deduction (attach Form 4562)	12	
	13a Contributions	13a	
	b Investment interest expense	13b	
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)	
d Other deductions (see instructions) Type ▶	13d		
Self-Employment	14a Net earnings (loss) from self-employment	14a	9995
	b Gross farming or fishing income	14b	
	c Gross nonfarm income	14c	
Credits	15a Low-income housing credit (section 42(j)(5))	15a	
	b Low-income housing credit (other)	15b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	
	d Other rental real estate credits (see instructions) Type ▶	15d	
	e Other rental credits (see instructions) Type ▶	15e	
	f Other credits (see instructions) Type ▶	15f	
Foreign Transactions	16a Name of country or U.S. possession ▶	16b	
	b Gross income from all sources	16c	
	c Gross income sourced at partner level Foreign gross income sourced at partnership level	16d	
	d Passive category ▶ e General category ▶ f Other ▶	16e	
	Deductions allocated and apportioned at partner level	16f	
	g Interest expense ▶ h Other ▶	16g	
	Deductions allocated and apportioned at partnership level to foreign source income	16h	
	i Passive category ▶ j General category ▶ k Other ▶	16i	
	l Total foreign taxes (check one): Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	16j	
m Reduction in taxes available for credit (attach statement)	16m		
n Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a	
	b Adjusted gain or loss	17b	
	c Depletion (other than oil and gas)	17c	
	d Oil, gas, and geothermal properties—gross income	17d	
	e Oil, gas, and geothermal properties—deductions	17e	
	f Other AMT items (attach statement)	17f	
Other Information	18a Tax-exempt interest income	18a	
	b Other tax-exempt income	18b	
	c Nondeductible expenses	18c	
	19a Distributions of cash and marketable securities	19a	
	b Distributions of other property	19b	
	20a Investment income	20a	
b Investment expenses	20b		
c Other items and amounts (attach statement)			

					Yes	No
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below						X
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital		
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details IS BY DEFINITION A SMALL PARTNERSHIP.						N/A
6 Does the partnership satisfy all four of the following conditions?						
a The partnership's total receipts for the tax year were less than \$250,000.						
b The partnership's total assets at the end of the tax year were less than \$1 million.						
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.						
d The partnership is not filing and is not required to file Schedule M-3					X	
If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.						
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?						X
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?						X
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?						X
10 At any time during calendar year 2008, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country. ▶						X
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions						X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.						
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions						X
c Is the partnership required to adjust the basis of partnership assets under section 743(d) or 734(d) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions						X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (including a disregarded entity) ▶ <input type="checkbox"/>						
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?						X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ▶						
16 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶						X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶						

Designation of Tax Matters Partner (see instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP
 Address of designated TMP

REGGIE L. RAGSDALE
 40275 VIA CABALLOS
 MURRIETTA, CA 92562

Identifying number of TMP

557 27 5285

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16f						1	79353
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners		TWO					
b Limited partners							

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (attach statement)				
7	Mortgage and real estate loans				
8	Other investments (attach statement)				
9a	Buildings and other depreciable assets				
b	Less accumulated depreciation				
10a	Depletable assets				
b	Less accumulated depletion				
11	Land (net of any amortization)				
12a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
13	Other assets (attach statement)				
14	Total assets				
Liabilities and Capital					
15	Accounts payable				
16	Mortgages, notes, bonds payable in less than 1 year				
17	Other current liabilities (attach statement)				
18	All nonrecourse loans				
19	Mortgages, notes, bonds payable in 1 year or more				
20	Other liabilities (attach statement)				
21	Partners' capital accounts				
22	Total liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return
 Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1 Net income (loss) per books		6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 13d, and 16f, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16f (itemize):		a Depreciation \$	
a Depreciation \$			
b Travel and entertainment \$		8 Add lines 6 and 7	
5 Add lines 1 through 4		9 Income (loss) (Analysis of Net Income (Loss) line 1). Subtract line 8 from line 5	

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year		6 Distributions: a Cash	
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books			
4 Other increases (itemize):		8 Add lines 6 and 7	
5 Add lines 1 through 4		9 Balance at end of year. Subtract line 8 from line 5	

2008 Partnership Return of Income

565

For calendar year 2008 or fiscal year beginning month day year and ending month day year

Partnership name (place label within block or type or print) Check box if name changed

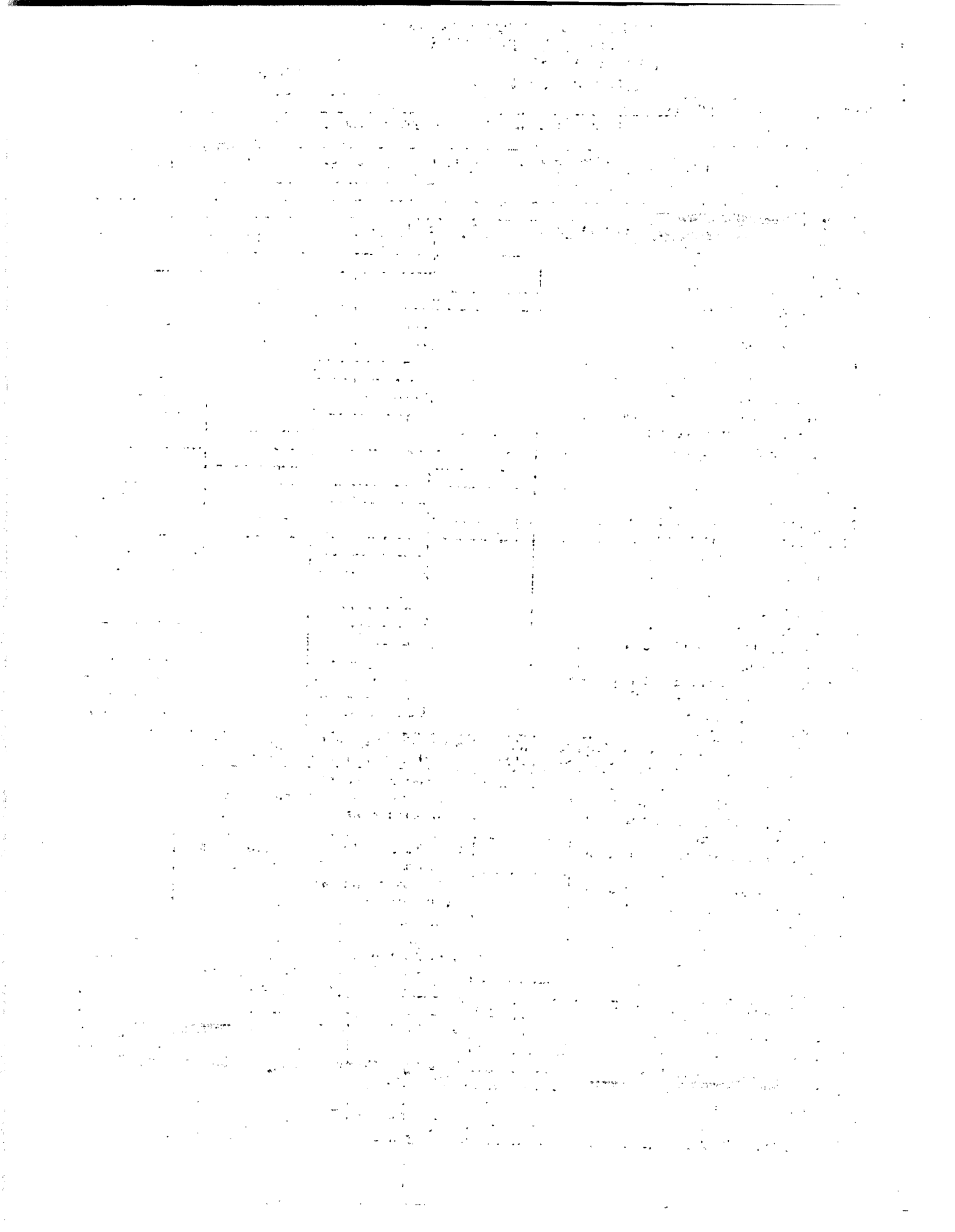
DBA OPTOMETRIC CTR OF MORENO VLLY
Address c/o REGGIE L. RAGSDALE
City State ZIP Code

E Check accounting method: (1) Cash (2) Accrual (3) Other
F Date business started in CA: 1991
G Enter total assets at end of year
H Check the applicable box: (1) Initial return (2) FINAL RETURN (3) Amended return
I Principal business activity code: 812112

Caution: Include only trade or business income and expenses on line 1a through line 22 below. See the instructions for more information.

Table with 3 columns: Description, Amount, and Balance. Rows include Income (1-12), Deductions (13-22), Payments (23-27), and Amount Due or Refund (28-32).

Sign Here: REGGIE L. RAGSDALE, Date 091509, Telephone
Paid Preparer's Use Only: M.P. UMBERGER, Date 091509, Check if self-employed, Firm's name HI-DESERT DULCINEA



Partner's Share of Income, Deductions, Credits, etc.

2008

K-1 (565)

For calendar year 2008 or fiscal year beginning month _____ day _____ year _____ and ending month _____ day _____ year _____

Partner's identifying number _____
 Partner's name, address, city, state, and ZIP Code
REGGIE L. RAGSDALE

Partnership's FEIN _____
 Secretary of State file number _____
 Partnership's name, address, city, state, and ZIP Code
OPTOMETRIC CTR OF MORENO VLLY
c/o REGGIE L. RAGSDALE

- A** Is this partner a: (1) general partner, or (2) limited partner?
B What type of entity is this partner?
 (1) Individual (6) General Partnership (9) IRA/Keogh/SEP
 (2) S Corporation (10) Limited Partnership (11) Exempt Organization
 (3) Estate/Trust (7) LLP (11) Disregarded Entity
 (4) C Corporation (8) LLC
C Is this partner a foreign partner? Yes No
D Enter partner's percentage (without regard to special allocations) of:
 (i) Before decrease or termination (ii) End of year
 Profit sharing _____% • _____%
 Loss sharing _____% • _____%
 Ownership of capital _____% • _____%

- E** Partner's share of liabilities:
 Nonrecourse \$ 98 %
 Qualified nonrecourse financing \$ 98 %
 Other \$ 98 %
F Reportable transaction or tax shelter registration number(s) _____
G (1) Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2)
 (2) Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1)
H Check here if this is: (1) A final Schedule K-1 (565) (2) An amended Schedule K-1 (565)
I Is this partner a nonresident of California? Yes No

J Analysis of partner's capital account: Check the box (1) Tax Basis (2) GAAP (3) Section 754(b) Book (4) Other (explain) _____

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of line 3, line 4, and line 7, Form 565, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year. combine column (a) through column (d)
•	•	•	•	•

Caution: Refer to Partner's instructions for Schedule K-1 (565) before entering information from this schedule on your California return.

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Income (Loss)	1 Ordinary income (loss) from trade or business activities	(5)		(5)	(5)
	2 Net income (loss) from rental real estate activities				
	3 Net income (loss) from other rental activities				
	4 Guaranteed payments to partners	10000		10000	10000
	5 Interest income	41489		41489	41489
	6 Dividends				
	7 Royalties				
	8 Net short-term capital gain (loss)				
	9 Net long-term capital gain (loss)	26482		26482	26482
	10 a Total Gain under IRC Section 1231 (other than due to casualty or theft)				
	b Total Loss under IRC Section 1231 (other than due to casualty or theft)				
	11 a Other portfolio income (loss). Attach schedule				
	b Total other income. Attach schedule				
c Total other loss. Attach schedule					

Schedule A Cost of Goods Sold

1	Inventory at beginning of year	00
2	Purchases less cost of items withdrawn for personal use	00
3	Cost of labor	00
4	Additional IRC Section 263A costs. Attach schedule	00
5	Other costs. Attach schedule	00
6	Total. Add line 1 through line 5	00
7	Inventory at end of year	00
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Side 1, line 2.	00

- 9 a Check all methods used for valuing closing inventory:
- (1) Cost (2) Lower of cost or market as described in Treas. Reg. Section 1.471-4 (3) Write down of "subnormal" goods as described in Treas. Reg. Section 1.471-2(c) (4) Other. Specify method used and attach explanation _____
- b Check this box if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970
- c Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the partnership? Yes No
- d Was there any change (other than for IRC Section 263A purposes) in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

- J What type of entity is filing this return? Check one only:
- 1 General partnership
 - 2 Limited partnership required to pay annual tax (is doing business in California, is registered with SOS, or is organized in California)
 - 3 Limited partnership, limited liability company (LLC), or other entity NOT required to pay annual tax (is not doing business in California, is not registered with SOS, and is not organized in California)
 - 4 REMIC
 - 5 Limited liability partnership
 - 6 Other (See instructions)

K Enter the maximum number of partners in this partnership at any time during the year. (Be sure to attach a California Schedule K-1 (565) for each partner) **TWO**

	Yes	No
L Is any partner of the partnership related (as defined in IRC Section 267(c)(4)) to any other partner?	X	
M Is any partner of the partnership a trust for the benefit of any person related (as defined in IRC Section 267(c)(4)) to any other partner?		X
N Are any partners in this partnership also partnerships or LLCs?		X
O Does the partnership meet all the requirements shown in the instructions for Question O?	X	
P Is this partnership a partner in another partnership or LLC? If "Yes," attach a statement with the name(s) and FEIN(s) of each entity		X
Q Was there a distribution of property or transfer (for example by sale or death) of a partnership interest during the taxable year? If "Yes," see the federal instructions concerning an election to adjust the basis of the partnership's assets under IRC Section 754		X
R Is this partnership a publicly traded partnership as defined in IRC Section 469(k)(2)?		X
S Is this partnership under audit by the IRS or has it been audited in a prior year?		X
T (1) For this taxable year, was there a change in control or majority ownership for this partnership (or any legal entity in which it holds a controlling or majority interest) that owned or leased real property in California?		X
(2) For this taxable year, did this partnership (or any legal entity in which it holds a controlling or majority interest) acquire control or majority ownership of any other legal entity that owned or leased real property in California?		X
(3) If this partnership (or any legal entity in which it holds a controlling or majority interest) owned or leased real property in California, has more than 50 percent of the partnership's interest cumulatively transferred in one or more transactions since March 1, 1975, which was not reported on a previous year's tax return?		X
(Penalties May Apply - See Instructions.)		X
U (1) Does the partnership have any foreign (non U.S.) nonresident partners?		X
(2) Does the partnership have any domestic (non-foreign) nonresident partners?		X
(3) Were Form 592, Form 592-A, Form 592-B, and Form 592-F filed for these partners?	X	
V Is this an investment partnership? See General Information, Investment Partnerships, in the instructions		X
W Is the partnership apportioning income to California using Schedule R?		X
X Has the partnership included a Reportable Transaction or Listed Transaction within this return? (See instructions for definitions.) If "Yes," complete and attach Form 8886 for each transaction		X
Y Did this partnership file the Federal Schedule M-3 (Form 1065)?		X
Z Is this partnership a direct owner of an entity that filed a federal Schedule M-3?		X
AA Does this partnership have a beneficial interest in a trust or is it a grantor of a trust? Attach name, address, and FEIN.		X
AB Does this partnership own an interest in a business entity disregarded for tax purposes? Attach schedule of disregarded entity names and identification numbers.		X
AC During the year did this partnership defer any gains from the disposition of assets?		X

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Deductions	12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6 and 17268)				
	13 a Charitable contributions				
	b Investment interest expense				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply				
	2 Type of expenditures				
	d Deductions related to portfolio income				
	e Other deductions. Attach schedule				
Credits	15 a Total withholding (equals amount on Form 592-B if calendar year partnership)				
	b Low-income housing credit				
	c Credits other than line 15b related to rental real estate activities				
	d Credits related to other rental activities				
	e Nonconsenting nonresident partner's tax paid by partnership				
	f Other credits - Attach required schedules or statements				
Alternative Minimum Tax (AMT) Items	17 a Depreciation adjustment on property placed in service after 1986				
	b Adjusted gain or loss				
	c Depletion (other than oil & gas)				
	d Gross income from oil, gas, and geothermal properties				
	e Deductions allocable to oil, gas, and geothermal properties				
	f Other alternative minimum tax items				
Tax-Exempt Income and Nondeductible Expenses	18 a Tax-exempt interest income				
	b Other tax-exempt income				
	c Nondeductible expenses				
Distributions	19 a Distributions of money (cash and marketable securities)				
	b Distributions of property other than money				
Other Information	20 a Investment income				
	b Investment expenses				
	c Other information. See instructions				

Other Partner Information

Table 1 — Partner's share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the partners):

Interest \$ _____ Sec. 1231 Gains/Losses \$ _____ Capital Gains/Losses \$ _____
Dividends \$ _____ Royalties \$ _____ Other \$ _____

FOR USE BY APPORTIONING UNITARY PARTNERS ONLY — See instructions.

Table 2 — Partner's share of distributive items.

- A. Partner's share of the partnership's business income. See instructions. \$ _____
- B. Partner's share of nonbusiness income from real and tangible personal property sourced or allocable to California.

Capital Gains/Losses \$ _____ Rents/Royalties \$ _____
Sec. 1231 Gains/Losses \$ _____ Other \$ _____

C. Partner's distributive share of the partnership's property, payroll, and sales:

Factors	Total within and outside California	Total within California
Property: Beginning	\$ _____	\$ _____
Ending	\$ _____	\$ _____
Annual Rent Expense	\$ _____	\$ _____
Payroll	\$ _____	\$ _____
Sales	\$ _____	\$ _____

OPTOMETRIC CTR OF MORENO VLLY
c/o REGGIE L. RAGSDALE

REGGIE L. RAGSDALE

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that this is crucial for ensuring the integrity of the financial statements and for providing a clear audit trail. The text also mentions that proper record-keeping is essential for identifying and correcting errors in a timely manner.

2. The second part of the document focuses on the role of internal controls in preventing fraud and misstatements. It highlights that a strong internal control system is necessary to ensure that all transactions are properly authorized, recorded, and reviewed. The text also notes that internal controls should be designed to be effective and efficient, and should be regularly evaluated and updated as needed.

3. The third part of the document discusses the importance of transparency and communication in financial reporting. It emphasizes that providing clear and concise information to stakeholders is essential for building trust and confidence in the organization's financial performance. The text also mentions that transparency is a key component of corporate governance and is necessary for ensuring the long-term success of the organization.

4. The fourth part of the document focuses on the role of the board of directors in overseeing the financial reporting process. It highlights that the board is responsible for ensuring that the financial statements are accurate and reliable, and for providing oversight and guidance to management. The text also notes that the board should be actively involved in the financial reporting process and should regularly review and discuss the financial statements with management.

5. The fifth part of the document discusses the importance of external audits in providing an independent and objective assessment of the financial statements. It emphasizes that external audits are essential for ensuring the accuracy and reliability of the financial information and for providing assurance to stakeholders. The text also mentions that external audits should be conducted by qualified and independent auditors and should be performed in accordance with applicable auditing standards.

6. The final part of the document provides a summary of the key points discussed and offers some concluding thoughts. It emphasizes that maintaining accurate records, implementing strong internal controls, providing transparent communication, and ensuring the accuracy and reliability of the financial statements are all essential for ensuring the long-term success and integrity of the organization. The text also notes that these principles should be applied consistently and should be regularly reviewed and updated as needed.

Partner's Share of Income, Deductions, Credits, etc.

2008

K-1 (565)

For calendar year 2008 or fiscal year beginning month _____ day _____ year _____ and ending month _____ day _____ year _____

Partner's identifying number _____
 Partner's name, address, city, state, and ZIP Code

Partnership's FEIN _____
 Secretary of State file number _____

JACQUE L. RAGSDALE

Partner's name, address, city, state, and ZIP Code

OPTOMETRIC CTR OF MORENO VLLY
 c/o REGGIE L. RAGSDALE

- A** Is this partner a: (1) general partner; or (2) limited partner?
B What type of entity is this partner? ●
 (1) Individual (5) General Partnership (9) IRA/Keogh/SEP
 (2) S Corporation (6) Limited Partnership (10) Exempt Organization
 (3) Estate/Trust (7) LLP (11) Disregarded Entity
 (4) C Corporation (8) LLC
C Is this partner a foreign partner? ● Yes No
D Enter partner's percentage (without regard to special allocations) of:
 (i) Before decrease or termination (ii) End of year
 Profit sharing 2 % ● 2 %
 Loss sharing 2 % ● 2 %
 Ownership of capital 2 % ● 2 %

- E** Partner's share of liabilities:
 Nonrecourse \$ 2 8
 Qualified nonrecourse financing \$ 2 8
 Other \$ 2 8
F Reportable transaction or tax shelter registration number(s) _____
G (1) Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2)
 (2) Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1)
H Check here if this is: ●
 (1) A final Schedule K-1 (565) (2) An amended Schedule K-1 (565)
I Is this partner a nonresident of California? Yes ● No

J Analysis of partner's capital account: Check the box ● (1) Tax Basis (2) GAAP (3) Section 704(b) Book (4) Other (explain)

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of line 3, line 4, and line 7, Form 565, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year. Combine column (a) through column (d)

Caution: Refer to Partner's Instructions for Schedule K-1 (565) before entering information from this schedule on your California return.

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Income (Loss)	1 Ordinary income (loss) from trade or business activities	0			
	2 Net income (loss) from rental real estate activities				
	3 Net income (loss) from other rental activities				
	4 Guaranteed payments to partners	0			
	5 Interest income	847		847	847
	6 Dividends				
	7 Royalties				
	8 Net short-term capital gain (loss)				
	9 Net long-term capital gain (loss)	540		540	540
	10 a Total Gain under IRC Section 1231 (other than due to casualty or theft)				
	b Total Loss under IRC Section 1231 (other than due to casualty or theft)				
11 a Other portfolio income (loss). Attach schedule					
b Total other income. Attach schedule					
c Total other loss. Attach schedule					

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Deductions	12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6 and 17268)				
	13 a Charitable contributions				
	b Investment interest expense				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply				
	2 Type of expenditures				
	d Deductions related to portfolio income				
	e Other deductions. Attach schedule				
Credits	15 a Total withholding (equals amount on Form 592-B if calendar year partnership)				
	b Low-income housing credit				
	c Credits other than line 15b related to rental real estate activities				
	d Credits related to other rental activities				
	e Nonconsenting nonresident partner's tax paid by partnership				
	f Other credits - Attach required schedules or statements				
Alternative Minimum Tax (AMT) items	17 a Depreciation adjustment on property placed in service after 1986				
	b Adjusted gain or loss				
	c Depletion (other than oil & gas)				
	d Gross income from oil, gas, and geothermal properties				
	e Deductions allocable to oil, gas, and geothermal properties				
	f Other alternative minimum tax items				
Tax-Exempt Income and Nondeductible Expenses	18 a Tax-exempt interest income				
	b Other tax-exempt income				
	c Nondeductible expenses				
Distributions	19 a Distributions of money (cash and marketable securities)				
	b Distributions of property other than money				
Other Information	20 a Investment income				
	b Investment expenses				
	c Other information. See instructions				

Other Partner Information

Table 1 — Partner's share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the partners):

Interest \$ _____ Sec. 1231 Gains/Losses \$ _____ Capital Gains/Losses \$ _____
 Dividends \$ _____ Royalties \$ _____ Other \$ _____

FOR USE BY APPORTIONING UNITARY PARTNERS ONLY — See instructions.

Table 2 — Partner's share of distributive items.

- A. Partner's share of the partnership's business income. See instructions. \$ _____
- B. Partner's share of nonbusiness income from real and tangible personal property sourced or allocable to California.

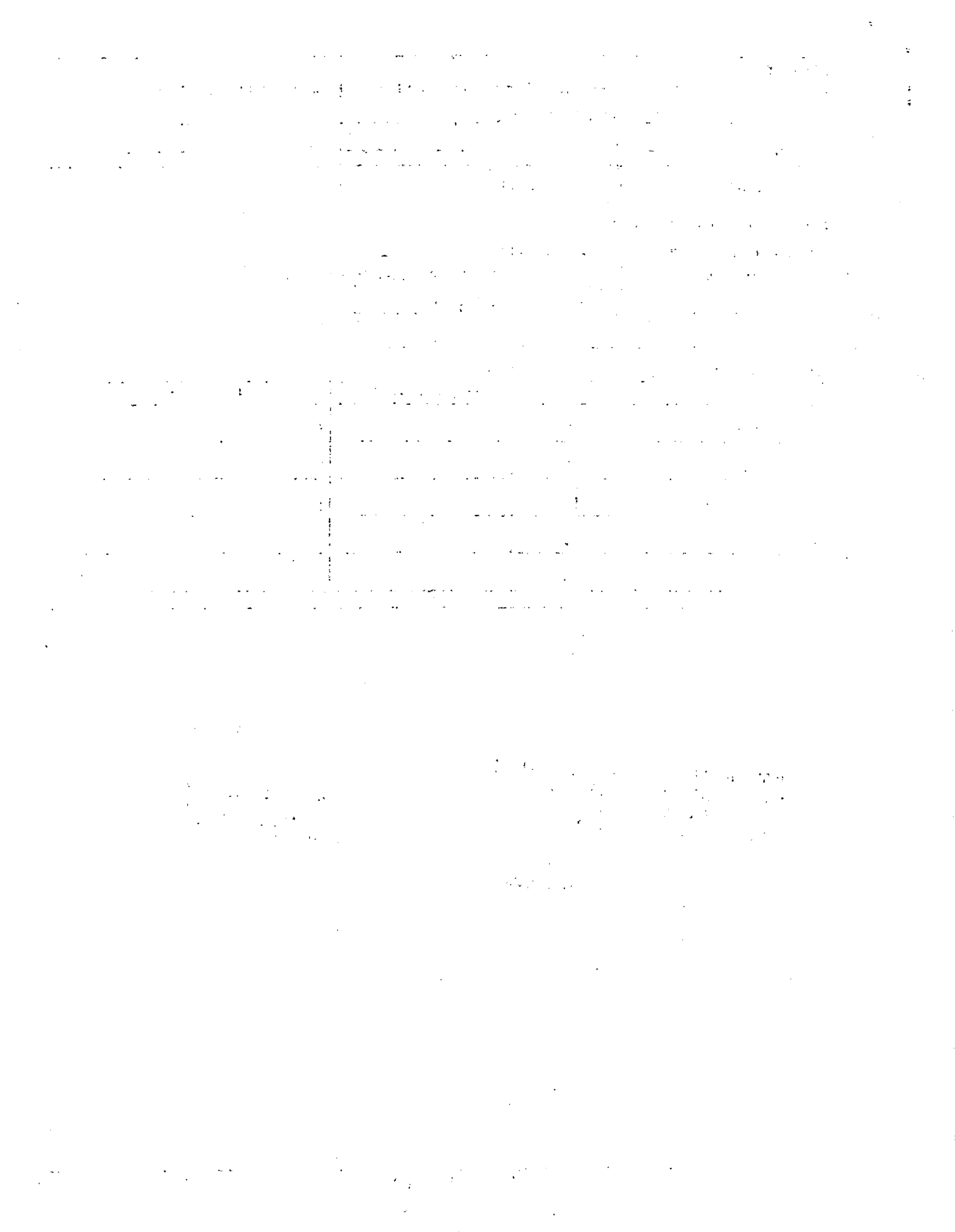
Capital Gains/Losses \$ _____ Rents/Royalties \$ _____
 Sec. 1231 Gains/Losses \$ _____ Other \$ _____

C. Partner's distributive share of the partnership's property, payroll, and sales:

Factors	Total within and outside California	Total within California
Property: Beginning	\$ _____	\$ _____
Ending	\$ _____	\$ _____
Annual Rent Expense	\$ _____	\$ _____
Payroll	\$ _____	\$ _____
Sales	\$ _____	\$ _____

OPTOMETRIC CTR OF MORENO VLLY
 c/o REGGIE L. RAGSDALE

JACQUE L. RAGSDALE



NOT REQUIRED

Schedule L Balance Sheets. See the instructions for Question O before completing Schedules L, M-1, and M-2.

	Beginning of income year		End of income year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				
2 a Trade notes and accounts receivable				
b Less allowance for bad debts	()		()	
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets. Attach schedule				
7 Mortgage and real estate loans				
8 Other investments. Attach schedule				
9 a Buildings and other depreciable assets				
b Less accumulated depreciation	()		()	
10 a Depletable assets				
b Less accumulated depletion	()		()	
11 Land (net of any amortization)				
12 a Intangible assets (amortizable only)				
b Less accumulated amortization	()		()	
13 Other assets. Attach schedule				
14 Total assets				
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities. Attach schedule				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities. Attach schedule				
21 Partners' capital accounts				
22 Total liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return. Use total amount under California law. If the partnership completed federal Schedule M-3 (Form 1065), see instructions.

1 Net income (loss) per books		6 Income recorded on books this year not included on Schedule K, line 1 through line 11c. Itemize:	
2 Income included on Schedule K, line 1 through line 11c, not recorded on books this year. Itemize:		a Tax-exempt interest	\$ _____
3 Guaranteed payments (other than health insurance)		b Other	\$ _____
4 Expenses recorded on books this year not included on Schedule K, line 1 through line 13e. Itemize:		c Total. Add line 6a and line 6b	
a Depreciation	\$ _____	7 Deductions included on Schedule K, line 1 through line 13e, not charged against book income this year. Itemize:	
b Travel and entertainment	\$ _____	a Depreciation	\$ _____
c Limited partnership tax	\$ _____	b Other	\$ _____
d Other	\$ _____	c Total. Add line 7a and line 7b	
e Total. Add line 4a through 4d		8 Total. Add line 6c and line 7c	
5 Total of line 1 through line 4e		9 Income (loss) (Schedule K, line 21a). Subtract line 8 from line 5	

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year		5 Total of line 1 through line 4	
2 Capital contributed during year:		6 Distributions:	
a Cash		a Cash	
b Property		b Property	
3 Net income (loss) per books		7 Other decreases. Itemize	
4 Other increases. Itemize			
		8 Total of line 6 and line 7	
		9 Balance at end of year. Subtract line 8 from line 5	

Schedule K Partners' Shares of Income, Deductions, Credits, etc.

		(a) Distributive share items	(b) Amounts from federal K (1996)	(c) California adjustments	(d) Total amounts using California law (5)				
Income (Loss)	1	Ordinary income (loss) from trade or business activities	(5)		(5)				
	2	Net income (loss) from rental real estate activities. Attach federal Form 8825							
	3	a	Gross income (loss) from other rental activities						
		b	Less expenses. Attach schedule						
		c	Net income (loss) from other rental activities. Subtract line 3b from line 3a						
	4	Guaranteed payments to partners	10000		10000				
	5	Interest income	42336		42336				
	6	Dividends							
	7	Royalties							
	8	Net short-term capital gain (loss). Attach Schedule D (565)							
	9	Net long-term capital gain (loss). Attach Schedule D (565)	27022		27022				
10	a	Total Gain under IRC Section 1231 (other than due to casualty or theft)							
	b	Total Loss under IRC Section 1231 (other than due to casualty or theft)							
	c	Net capital gain (loss)							
11	a	Other portfolio income (loss). Attach schedule							
	b	Total other income. Attach schedule							
	c	Total other/loss. Attach schedule							
Deductions	12	Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6, and 17268). Attach schedule							
	13	a	Charitable contributions. See instructions. Attach schedule						
		b	Investment interest expense						
		c	1 Total expenditures to which IRC Section 59(e) election may apply. Attach schedule						
	13c2	2 Type of expenditures							
13d	Deductions related to portfolio income								
13e	Other deductions. Attach schedule								
Credits	15	a Withholding on partnership allocated to all partners							
	15b	Low-income housing credit							
	15c	Credits other than the credit shown on line 15b related to rental real estate activities							
	15d	Credits related to other rental activities							
	15e	Nonconsenting nonresident members' tax allocated to all partners							
	15f	Other credits							
Alternative Minimum Tax (AMT) items	17	a Depreciation adjustment on property placed in service after 1986							
	17b	Adjusted gain or loss							
	17c	Depletion (other than oil and gas)							
	17d	Gross income from oil, gas, and geothermal properties							
	17e	Deductions allocable to oil, gas, and geothermal properties							
	17f	Other alternative minimum tax items							
Other Information	18	a Tax-exempt interest income							
	18b	Other tax-exempt income							
	18c	Nondeductible expenses							
19	a	Distributions of money (cash and marketable securities)							
	b	Distribution of property other than money							
	c	Other information. See instructions							
20	a	Investment income							
	b	Investment expenses							
	c	Other information. See instructions							
Analysis	21	a Total distributive income/payment items. Combine lines 1, 2, and 3c through 11c. From the result, subtract the sum of lines 12 through 13e	79353		79353				
	b	Analysis by type of partner:	(a)		(b) Individual		(c)	(d)	(e)
		Corporate	I. Active		II. Passive		Partnership	Exempt Organization	Nominee/Other
	(1) General partners		TWO						
	(2) Limited partners								

OPTOMETRIC CTR OF MORENO VLLY
c/o REGGIE L. RAGSDALE

3663083

COPY

Form 1065

U.S. Return of Partnership Income

OMB No. 1545-0099

Department of the Treasury Internal Revenue Service

For calendar year 2008, or tax year beginning 2008, ending 2008, ending See separate instructions.

2008

Header section containing: A Principal business activity CONSTRUCTION SERVICE; B Principal product or service SERVICE; C Business code number 235900; Name of partnership SANTA ROSA CNSTRCTN; Number, C/O REGGIE L. RAGSDALE; City or town; D Employer identification number; E Date business started 010104; F Total assets (see the instructions) \$ NOT REQUIRED.

Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return (6) Technical termination - also check (1) or (2); H Check accounting method: (1) Cash (2) Accrual (3) Other (specify); I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year THREE; J Check if Schedule M-3 attached.

Caution. Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Table with 22 rows and 4 columns. Rows 1a-8: Income. Rows 9-21: Deductions. Row 22: Ordinary business income (loss). Values include 13850, 3000, 2044, 24696, 494, 30234, and (16734).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

Sign Here section containing: Signature of general partner REGGIE L. RAGSDALE; Date 091509; Preparer's signature M. P. UMBERGER; Date 091509; Check if self-employed; Preparer's SSN or PTIN.

Schedule A Cost of Goods Sold (see the instructions)

1 Inventory at beginning of year	1		
2 Purchases less cost of items withdrawn for personal use	2		
3 Cost of labor	3		
4 Additional section 263A costs (attach statement)	4		
5 Other costs (attach statement)	5		
6 Total. Add lines 1 through 5	6		
7 Inventory at end of year	7		
8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8		

9a Check all methods used for valuing closing inventory:

(i) Cost as described in Regulations section 1.471-3

(ii) Lower of cost or market as described in Regulations section 1.471-4

(iii) Other (specify method used and attach explanation) ▶

b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ▶

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? Yes No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No

If "Yes," attach explanation.

Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box:

a <input checked="" type="checkbox"/> Domestic general partnership	b <input type="checkbox"/> Domestic limited partnership	Yes No
c <input type="checkbox"/> Domestic limited liability company	d <input type="checkbox"/> Domestic limited liability partnership	
e <input type="checkbox"/> Foreign partnership	f <input type="checkbox"/> Other ▶	

2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person? X

3 At the end of the tax year:

a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), or trust own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below X

(i) Name of Individual or Estate	(ii) Social Security Number or Employer Identification Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
REGGIE L. RAGSDALE	██████████	USA	50%

4 At the end of the tax year, did the partnership:

a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

**Application for Automatic 6-Month Extension of Time To File
 Certain Business Income Tax, Information, and Other Returns**

OMB No. 1545-0231

► File a separate application for each return.

Type or Print File by the due date for the return for which an extension is requested. See instructions.	Name SANTA ROSA CNSTRCTN	Identifying number [REDACTED]
	Number, street, and room or suite no. (if P.O. box, see instructions) [REDACTED]	
	City, town, state, and ZIP code (if a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)). [REDACTED]	

Note. See instructions before completing this form.

- 1 Enter the form code for the return that this application is for (see below) 01
- 2 If the foreign corporation does not have an office or place of business in the United States, check here ►
- 3 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here ►
- 4a The application is for calendar year 2006, or tax year beginning 20 and ending 20
- b Short tax year. If this tax year is less than 12 months, check the reason:
 Initial return Final return Change in accounting period Consolidated return to be filed
- 5 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here ►
 If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.
- 6 Tentative total tax

6		
---	--	--
- 7 Total payments and credits (see instructions)

7		
---	--	--
- 8 Balance due. Subtract line 7 from line 6. Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW) (see instructions for exceptions)

8	NONE	
---	------	--

Application is For:	Form Code	Application is For:	Form Code
Form 706-GS(D)	01	Form 1120-H	17
Form 706-GS(T)	02	Form 1120-L	18
Form 990-C (2005 fiscal year filers only)	03	Form 1120-ND	19
Form 1041 (estate)	04	Form 1120-ND (section 4951 taxes)	20
Form 1041 (trust)	05	Form 1120-PO	21
Form 1041-N	06	Form 1120-POL	22
Form 1041-QFT	07	Form 1120-REIT	23
Form 1042	08	Form 1120-RIC	24
Form 1065	09	Form 1120-S	25
Form 1065-B	10	Form 1120-SF	26
Form 1066	11	Form 3520-A	27
Form 1120	12	Form 8812	28
Form 1120 (sub T) (2005 fiscal year filers only)	13	Form 8813	29
Form 1120-A	14	Form 8725	30
Form 1120-C	34	Form 8804	31
Form 1120-F	15	Form 8831	32
Form 1120-FSC	16	Form 8876	33

For Paperwork Reduction Act Notice, see instructions.

Cat. No. 13804A

Form 7004 (Rev. 12-2006)

SANTA ROSA CNSTRCTN ~~XXXXXXXXXX~~ CY 08

REVENUE..CONSTRUCTION PCT COMPLETION	13500	
COST OF GDS SOLD:		
OTHERS	0	0
WIP.....		0
INCOME..	-----	13500
EXPENSES:		
WAGES		0
GUARANTEED PYMNTS.....		3000
REPAIRS MAINTENANCE.....		0
BAD DEBTS		0
RENT.....		0
TAXES.....		0
INTEREST.....		2044
DEPRECIATION.....		24696
OTHER: /		
ADVRTSMNT	12	
DUES	66	
FUEL	344	
LOAB FEES LAWYERS TITLE..	54	
MEETINGS	18	
TOTAL OTHER EXPENSES.....		494
TOTAL EXPENSES.....		----- 30234
TOTAL NET INCOME.....		----- -16734 =====

Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

OMB No. 1545-0172

2008

Attachment
Sequence No. 67

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return
SANTA ROSA CNSTRCTN

Business or activity to which this form relates

Identifying number
[REDACTED]

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses.	1	\$250,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	\$800,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29.	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.	9	
10	Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	
13	Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 ▶	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2008	17	24236
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		4600	5YR		SL	460
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr.	22	24696
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

SANTA ROSA CNSTRCTN

	BASIS	METHOD	CY 08 PRIOR	THIS CY08 PRIOR&SEC 179	BALANCE
CY02					
SUBURBAN 2002	41889	5YRSL	41889	0	0
TRUCK 04	52173	5YRSL	36519	10434	5220
TRACTORS 04	27112	5YRSL	18977	5422	2713
1 TON DODGE 05	12334	5YRSL	3699	2466	6169
CY 06..	0	5YRSL	0	0	0
1 TON FORD-07	5000	5YRSL	500	1000	3500
BACKHOE-07	24558	5YRSL	2457	4914	17187
	163066	5YRSL	104041	24236	34789
CY 06..	0	5YRSL	0	0	0
TOTAL PRIOR	163066	5YRSL	104041	24236	34789
TOTAL CY 08					
FLATBED TRAILER	2700	5YRSL	0	270	2430
CEMENT MIXTURE	1900	5YRSL	0	190	1710
TOTAL CY 08	4600	5YRSL	0	460	4140
TOTAL DEP	167666	5YRSL	104041	24696	38929
ACC DEP	128737			=====	
NET ASSETS	38929				

ck#

Schedule K-1
(Form 1065)

08

Department of the Treasury
Internal Revenue Service

For calendar year 2008, or tax
year beginning _____, 2008
ending _____, 20__

Final K-1 Amended K-1 OMB No. 1545-0099

Partner's Share of Income, Deductions, Credits, etc.
▶ See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
[REDACTED]

B Partnership's name, address, city, state, and ZIP code
SANTA ROSA CNSTRCTN
c/o REGGIE L. RAGSDALE
[REDACTED]

C IRS Center where partnership filed return
OGDEN UTAH

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
[REDACTED]

F Partner's name, address, city, state, and ZIP code
CASSANDRA RAGSDALE
[REDACTED]

G General partner or LLC member-manager Limited partner or other LLC member

H Domestic partner Foreign partner

I What type of entity is this partner? INDIVIDUAL

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	25 %	25 %
Loss	25 %	25 %
Capital	25 %	25 %

K Partner's share of liabilities at year end:

Nonrecourse	\$ 25%
Qualified nonrecourse financing	\$ 25%
Recourse	\$ 25%

L Partner's capital account analysis:

Beginning capital account	\$ _____
Capital contributed during the year	\$ _____
Current year increase (decrease)	\$ _____
Withdrawals & distributions	\$ (_____)
Ending capital account	\$ _____

Tax basis GAAP Section 704(b) book
 Other (explain)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1 Ordinary business income (loss) (4183)	15 Credits
2 Net rental real estate income (loss)	
3 Other net rental income (loss)	16 Foreign transactions
4 Guaranteed payments 1500	
5 Interest income	
6a Ordinary dividends	
6b Qualified dividends	
7 Royalties	
8 Net short-term capital gain (loss)	
9a Net long-term capital gain (loss)	17 Alternative minimum tax (AMT) items
9b Collectibles (28%) gain (loss)	
9c Unrecaptured section 1250 gain	
10 Net section 1231 gain (loss)	18 Tax-exempt income and nondeductible expenses
11 Other income (loss)	
12 Section 179 deduction	19 Distributions
13 Other deductions	
14 Self-employment earnings (loss) (2683)	20 Other information

*See attached statement for additional information.

For IRS Use Only

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

<p>1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.</p> <p style="padding-left: 20px;">Passive loss Passive income Nonpassive loss Nonpassive income</p> <p>2. Net rental real estate income (loss)</p> <p>3. Other net rental income (loss) Net income Net loss</p> <p>4. Guaranteed payments</p> <p>5. Interest income</p> <p>6a. Ordinary dividends 6b. Qualified dividends</p> <p>7. Royalties</p> <p>8. Net short-term capital gain (loss) 9a. Net long-term capital gain (loss) 9b. Collectibles (28%) gain (loss)</p> <p>9c. Unrecaptured section 1250 gain</p> <p>10. Net section 1231 gain (loss)</p> <p>11. Other income (loss)</p> <p style="padding-left: 20px;">Code A Other portfolio income (loss) B Involuntary conversions C Sec. 1256 contracts & straddles D Mining exploration costs recapture E Cancellation of debt F Other income (loss)</p> <p>12. Section 179 deduction</p> <p>13. Other deductions</p> <p style="padding-left: 20px;">A Cash contributions (50%) B Cash contributions (30%) C Noncash contributions (50%) D Noncash contributions (30%) E Capital gain property to a 50% organization (30%) F Capital gain property (20%) G Contributions (100%) H Investment interest expense I Deductions—royalty income J Section 59(a)(2) expenditures K Deductions—portfolio (2% floor) L Deductions—portfolio (other) M Amounts paid for medical insurance</p> <p style="padding-left: 20px;">N Educational assistance benefits O Dependent care benefits P Preproductive period expenses Q Commercial revitalization deduction from rental real estate activities R Pensions and IRAs S Reforestation expense deduction T Domestic production activities information U Qualified production activities income V Employer's Form W-2 wages W Other deductions</p> <p>14. Self-employment earnings (loss)</p> <p>Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.</p> <p style="padding-left: 20px;">A Net earnings (loss) from self-employment B Gross farming or fishing income C Gross non-farm income</p> <p>15. Credits</p> <p style="padding-left: 20px;">A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings B Low-income housing credit (other) from pre-2008 buildings C Low-income housing credit (section 42(j)(5)) from post-2007 buildings D Low-income housing credit (other) from post-2007 buildings E Qualified rehabilitation expenditures (rental real estate) F Other rental real estate credits G Other rental credits H Undistributed capital gains credit I Alcohol and cellulosic biofuel fuels credit</p>	<p style="padding-left: 20px;">Report on See the Partner's Instructions Schedule E, line 28, column (g) Schedule E, line 28, column (h) Schedule E, line 28, column (i) See the Partner's Instructions</p> <p>Schedule E, line 28, column (g) See the Partner's Instructions Schedule E, line 28, column (i) Form 1040, line 8a Form 1040, line 9a Form 1040, line 9b Schedule E, line 4 Schedule D, line 5, column (f) Schedule D, line 12, column (f) 28% Rate Gain Worksheet, line 4 (Schedule D instructions) See the Partner's Instructions See the Partner's Instructions</p> <p>See the Partner's Instructions See the Partner's Instructions Form 8781, line 1 See Pub. 535 Form 1040, line 21 or Form 982 See the Partner's Instructions See the Partner's Instructions</p> <p>See the Partner's Instructions Form 4952, line 1 Schedule E, line 18 See the Partner's Instructions Schedule A, line 23 Schedule A, line 28 Schedule A, line 1 or Form 1040, line 29 See the Partner's Instructions Form 2441, line 14 See the Partner's Instructions See the Partner's Instructions See the Partner's Instructions See the Partner's Instructions See Form 8903 instructions Form 8903, line 7 Form 8903, line 15 See the Partner's Instructions</p> <p>Schedule SE, Section A or B See the Partner's Instructions See the Partner's Instructions</p> <p>See the Partner's Instructions See the Partner's Instructions Form 8586, line 11 Form 8586, line 11 See the Partner's Instructions See the Partner's Instructions Form 1040, line 68; check box 4 Form 6478, line 9</p>	<p>Code J Work opportunity credit K Disabled access credit L Empowerment zone and renewal community employment credit M Credit for increasing research activities N Credit for employer social security and Medicare taxes O Backup withholding P Other credits</p> <p>16. Foreign transactions</p> <p style="padding-left: 20px;">A Name of country or U.S. possession B Gross income from all sources C Gross income sourced at partner level</p> <p>Foreign gross income sourced at partnership level</p> <p style="padding-left: 20px;">D Passive category E General category F Other</p> <p>Deductions allocated and apportioned at partner level</p> <p style="padding-left: 20px;">G Interest expense H Other</p> <p>Deductions allocated and apportioned at partnership level to foreign source income</p> <p style="padding-left: 20px;">I Passive category J General category K Other</p> <p>Other information</p> <p style="padding-left: 20px;">L Total foreign taxes paid— M Total foreign taxes accrued N Reduction in taxes available for credit O Foreign trading gross receipts P Extraterritorial income exclusion Q Other foreign transactions</p> <p>17. Alternative minimum tax (AMT) items</p> <p style="padding-left: 20px;">A Post-1986 depreciation adjustment B Adjusted gain or loss C Depletion (other than oil & gas) D Oil, gas, & geothermal—gross income E Oil, gas, & geothermal—deductions F Other AMT items</p> <p>18. Tax-exempt income and nondeductible expenses</p> <p style="padding-left: 20px;">A Tax-exempt interest income B Other tax-exempt income C Nondeductible expenses</p> <p>19. Distributions</p> <p style="padding-left: 20px;">A Cash and marketable securities B Other property C Distribution subject to section 737</p> <p>20. Other information</p> <p style="padding-left: 20px;">A Investment income B Investment expenses C Fuel tax credit information D Qualified rehabilitation expenditures (other than rental real estate) E Basis of energy property F Recapture of low-income housing credit (section 42(j)(5)) G Recapture of low-income housing credit (other) H Recapture of investment credit I Recapture of other credits J Look-back interest—completed long-term contracts K Look-back interest—income forecast method L Dispositions of property with section 179 deductions M Recapture of section 179 deduction N Interest expense for corporate partners O Section 453(j)(3) information P Section 453A(c) information Q Section 1260(b) information R Interest allocable to production expenditures S CCF nonqualified withdrawals T Depletion information—oil and gas U Amortization of reforestation costs V Unrelated business taxable income W Precontribution gain (loss) X Other information</p>	<p>Form 5884, line 3 See the Partner's Instructions Form 8844, line 3 See the Partner's Instructions Form 8946, line 5 Form 1040, line 62 See the Partner's Instructions</p> <p>Form 1116, Part I Form 1116, Part I Form 1116, Part I</p> <p>Form 1116, Part I Form 1116, Part I</p> <p>Form 1116, Part I Form 1116, Part I Form 1116, Part I</p> <p>Form 1116, Part II Form 1116, Part II Form 1116, line 12 Form 8873 Form 8873 See the Partner's Instructions</p> <p>See the Partner's Instructions and the Instructions for Form 6251</p> <p>Form 1040, line 8b See the Partner's Instructions See the Partner's Instructions</p> <p>See the Partner's Instructions See the Partner's Instructions See the Partner's Instructions See the Partner's Instructions Form 8611, line 8 Form 8611, line 8 See Form 4255 See the Partner's Instructions See Form 8697 See Form 8666</p> <p>See the Partner's Instructions See the Partner's Instructions</p>
---	---	---	--

Schedule K-1 (Form 1065)

08

Final K-1 Amended K-1 OMB No. 1545-0099

Department of the Treasury Internal Revenue Service

For calendar year 2008, or tax year beginning ending 2008 20

Partner's Share of Income, Deductions, Credits, etc. See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number B Partnership's name, address, city, state, and ZIP code SANTA ROSA CNSTRCTN C/O REGGIE L. RAGSDALE C IRS Center where partnership filed return OGDEN UTAH D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number F Partner's name, address, city, state, and ZIP code REGGIE L. RAGSDALE G General partner or LLC member-manager Limited partner or other LLC member H Domestic partner Foreign partner I What type of entity is this partner? INDIVIDUAL J Partner's share of profit, loss, and capital (see instructions): Profit Loss Capital K Partner's share of liabilities at year end: Nonrecourse Qualified nonrecourse financing Recourse

L Partner's capital account analysis: Beginning capital account Capital contributed during the year Current year increase (decrease) Withdrawals & distributions Ending capital account Tax basis GAAP Section 704(b) book Other (explain)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1 Ordinary business income (loss) (8367) 2 Net rental real estate income (loss) 3 Other net rental income (loss) 4 Guaranteed payments 5 Interest income 6a Ordinary dividends 6b Qualified dividends 7 Royalties 8 Net short-term capital gain (loss) 9a Net long-term capital gain (loss) 9b Collectibles (28%) gain (loss) 9c Unrecaptured section 1250 gain 10 Net section 1231 gain (loss) 11 Other income (loss) 12 Section 179 deduction 13 Other deductions 14 Self-employment earnings (loss) (8367) 15 Credits 16 Foreign transactions 17 Alternative minimum tax (AMT) items 18 Tax-exempt income and nondeductible expenses 19 Distributions 20 Other information

*See attached statement for additional information.

For IRS Use Only

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.		Code	Report on
Passive loss	See the Partner's Instructions	J Work opportunity credit	Form 5884, line 3
Passive income	Schedule E, line 28, column (g)	K Disabled access credit	See the Partner's Instructions
Nonpassive loss	Schedule E, line 28, column (h)	L Empowerment zone and renewal community employment credit	Form 8844, line 3
Nonpassive income	Schedule E, line 28, column (i)	M Credit for increasing research activities	See the Partner's Instructions
2. Net rental real estate income (loss)	See the Partner's Instructions	N Credit for employer social security and Medicare taxes	Form 8846, line 5
3. Other net rental income (loss)		O Backup withholding	Form 1040, line 62
Net income	Schedule E, line 28, column (g)	P Other credits	See the Partner's Instructions
Net loss	Schedule E, line 28, column (g)	16. Foreign transactions	
4. Guaranteed payments	See the Partner's Instructions	A Name of country or U.S. possession	Form 1116, Part I
5. Interest income	Form 1040, line 8a	B Gross income from all sources	
6a. Ordinary dividends	Form 1040, line 9a	C Gross income sourced at partner level	
6b. Qualified dividends	Form 1040, line 9b	Foreign gross income sourced at partnership level	
7. Royalties	Schedule E, line 4	D Passive category	Form 1116, Part I
8. Net short-term capital gain (loss)	Schedule D, line 5, column (f)	E General category	
9a. Net long-term capital gain (loss)	Schedule D, line 12, column (f)	F Other	
9b. Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D instructions)	Deductions allocated and apportioned at partner level	
9c. Unrecaptured section 1250 gain	See the Partner's Instructions	G Interest expense	Form 1116, Part I
10. Net section 1231 gain (loss)	See the Partner's Instructions	H Other	Form 1116, Part I
11. Other income (loss)		Deductions allocated and apportioned at partnership level to foreign source income	
Code		I Passive category	Form 1116, Part I
A Other portfolio income (loss)	See the Partner's Instructions	J General category	
B Involuntary conversions	See the Partner's Instructions	K Other	
C Sec. 1256 contracts & straddles	Form 6781, line 1	Other information	
D Mining exploration costs recapture	See Pub. 535	L Total foreign taxes paid	Form 1116, Part II
E Cancellation of debt	Form 1040, line 21 or Form 982	M Total foreign taxes accrued	Form 1116, Part II
F Other income (loss)	See the Partner's Instructions	N Reduction in taxes available for credit	Form 1116, line 12
12. Section 179 deduction	See the Partner's Instructions	O Foreign trading gross receipts	Form 8873
13. Other deductions		P Extraterritorial income exclusion	Form 8873
A Cash contributions (50%)	See the Partner's Instructions	Q Other foreign transactions	See the Partner's Instructions
B Cash contributions (30%)			
C Noncash contributions (50%)			
D Noncash contributions (30%)			
E Capital gain property to a 50% organization (30%)			
F Capital gain property (20%)			
G Contributions (100%)			
H Investment interest expense		Form 4952, line 1	
I Deductions—royalty income	Schedule E, line 18		
J Section 59(e)(2) expenditures	See the Partner's Instructions		
K Deductions—portfolio (2% floor)	Schedule A, line 23		
L Deductions—portfolio (other)	Schedule A, line 28		
M Amounts paid for medical insurance	Schedule A, line 1 or Form 1040, line 29		
N Educational assistance benefits	See the Partner's Instructions		
O Dependent care benefits	Form 2441, line 14		
P Preproductive period expenses	See the Partner's Instructions		
Q Commercial revitalization deduction from rental real estate activities	See Form 8582 instructions		
R Pensions and IRAs	See the Partner's Instructions		
S Reforestation expense deduction	See the Partner's Instructions		
T Domestic production activities information	See Form 8903 instructions		
U Qualified production activities income	Form 8903, line 7		
V Employer's Form W-2 wages	Form 8903, line 15		
W Other deductions	See the Partner's Instructions		
14. Self-employment earnings (loss)		17. Alternative minimum tax (AMT) items	
Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		A Post-1986 depreciation adjustment	See the Partner's Instructions and the Instructions for Form 6251
A Net earnings (loss) from self-employment	Schedule SE, Section A or B	B Adjusted gain or loss	
B Gross farming or fishing income	See the Partner's Instructions	C Depletion (other than oil & gas)	
C Gross non-farm income	See the Partner's Instructions	D Oil, gas, & geothermal—gross income	
		E Oil, gas, & geothermal—deductions	
		F Other AMT items	
15. Credits		18. Tax-exempt income and nondeductible expenses	
A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions	A Tax-exempt interest income	Form 1040, line 8b
B Low-income housing credit (other) from pre-2008 buildings	See the Partner's Instructions	B Other tax-exempt income	See the Partner's Instructions
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings	Form 8586, line 11	C Nondeductible expenses	See the Partner's Instructions
D Low-income housing credit (other) from post-2007 buildings	Form 8586, line 11	19. Distributions	
E Qualified rehabilitation expenditures (rental real estate)	See the Partner's Instructions	A Cash and marketable securities	See the Partner's Instructions
F Other rental real estate credits			
G Other rental credits			
H Undistributed capital gains credit		Form 4952, line 4a	
I Alcohol and cellulosic biofuel fuels credit		Form 4952, line 5	
		Form 4136	
		D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions
		E Basis of energy property	See the Partner's Instructions
	F Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8	
	G Recapture of low-income housing credit (other)	Form 8611, line 8	
	H Recapture of investment credit	See Form 4255	
	I Recapture of other credits	See the Partner's Instructions	
	J Look-back interest—completed long-term contracts	See Form 8697	
	K Look-back interest—income forecast method	See Form 8666	
	L Dispositions of property with section 179 deductions		
	M Recapture of section 179 deduction		
	N Interest expense for corporate partners		
	O Section 453(f)(3) information		
	P Section 453A(c) information		
	Q Section 1260(b) information	See the Partner's Instructions	
	R Interest allocable to production expenditures		
	S CCF nonqualified withdrawals		
	T Depletion information—oil and gas		
	U Amortization of reforestation costs		
	V Unrelated business taxable income		
	W Precontribution gain (loss)		
	X Other information		

Schedule K-1 (Form 1065)

08

Department of the Treasury Internal Revenue Service

For calendar year 2008, or tax year beginning ending 2008 20

Final K-1 Amended K-1 OMB No. 1545-0099

Partner's Share of Income, Deductions, Credits, etc. See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
B Partnership's name, address, city, state, and ZIP code
C IRS Center where partnership filed return
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
F Partner's name, address, city, state, and ZIP code
G General partner or LLC member-manager
H Domestic partner
I What type of entity is this partner?
J Partner's share of profit, loss, and capital
K Partner's share of liabilities at year end

L Partner's capital account analysis:
Beginning capital account
Capital contributed during the year
Current year increase (decrease)
Withdrawals & distributions
Ending capital account
Tax basis GAAP Section 704(b) book Other (explain)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 2 columns: Item description and Amount. Rows include: 1 Ordinary business income (loss) (4183), 2 Net rental real estate income (loss), 3 Other net rental income (loss), 4 Guaranteed payments 1500, 5 Interest income, 6a Ordinary dividends, 6b Qualified dividends, 7 Royalties, 8 Net short-term capital gain (loss), 9a Net long-term capital gain (loss), 9b Collectibles (28%) gain (loss), 9c Unrecaptured section 1250 gain, 10 Net section 1231 gain (loss), 11 Other income (loss), 12 Section 179 deduction, 13 Other deductions, 14 Self-employment earnings (loss) (2683), 15 Credits, 16 Foreign transactions, 17 Alternative minimum tax (AMT) items, 18 Tax-exempt income and nondeductible expenses, 19 Distributions, 20 Other information

*See attached statement for additional information. For IRS Use Only

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

	Report on	Code	Report on
1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.		J Work opportunity credit	Form 5884, line 3
Passive loss	See the Partner's Instructions	K Disabled access credit	See the Partner's Instructions
Passive income	Schedule E, line 28, column (g)	L Empowerment zone and renewal community employment credit	Form 8844, line 3
Nonpassive loss	Schedule E, line 28, column (h)	M Credit for increasing research activities	See the Partner's Instructions
Nonpassive income	Schedule E, line 28, column (i)	N Credit for employer social security and Medicare taxes	Form 8846, line 5
2. Net rental real estate income (loss)	See the Partner's Instructions	O Backup withholding	Form 1040, line 62
3. Other net rental income (loss)		P Other credits	See the Partner's Instructions
Net income	Schedule E, line 28, column (g)	16. Foreign transactions	
Net loss	See the Partner's Instructions	A Name of country or U.S. possession	
4. Guaranteed payments	Schedule E, line 28, column (j)	B Gross income from all sources	Form 1116, Part I
5. Interest income	Form 1040, line 8a	C Gross income sourced at partner level	
6a. Ordinary dividends	Form 1040, line 9a	Foreign gross income sourced at partnership level	
6b. Qualified dividends	Form 1040, line 9b	D Passive category	
7. Royalties	Schedule E, line 4	E General category	Form 1116, Part I
8. Net short-term capital gain (loss)	Schedule D, line 5, column (f)	F Other	
9a. Net long-term capital gain (loss)	Schedule D, line 12, column (f)	Deductions allocated and apportioned at partner level	
9b. Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D instructions)	G Interest expense	Form 1116, Part I
9c. Unrecaptured section 1250 gain	See the Partner's Instructions	H Other	Form 1116, Part I
10. Net section 1231 gain (loss)	See the Partner's Instructions	Deductions allocated and apportioned at partnership level to foreign source income	
11. Other income (loss)		I Passive category	
Code		J General category	Form 1116, Part I
A Other portfolio income (loss)	See the Partner's Instructions	K Other	
B Involuntary conversions	See the Partner's Instructions	Other information	
C Sec. 1256 contracts & straddles	Form 8781, line 1	L Total foreign taxes paid	Form 1116, Part II
D Mining exploration costs recapture	See Pub. 535	M Total foreign taxes accrued	Form 1116, Part II
E Cancellation of debt	Form 1040, line 21 or Form 982	N Reduction in taxes available for credit	Form 1116, line 12
F Other income (loss)	See the Partner's Instructions	O Foreign trading gross receipts	Form 8873
12. Section 179 deduction	See the Partner's Instructions	P Extraterritorial income exclusion	Form 8873
13. Other deductions		Q Other foreign transactions	See the Partner's Instructions
A Cash contributions (50%)	See the Partner's Instructions	17. Alternative minimum tax (AMT) items	
B Cash contributions (30%)		A Post-1986 depreciation adjustment	See the Partner's Instructions and the Instructions for Form 6251
C Noncash contributions (50%)		B Adjusted gain or loss	
D Noncash contributions (30%)		C Depletion (other than oil & gas)	
E Capital gain property to a 50% organization (30%)		D Oil, gas, & geothermal—gross income	
F Capital gain property (20%)		E Oil, gas, & geothermal—deductions	
G Contributions (100%)		F Other AMT items	
H Investment interest expense	Form 4952, line 1	18. Tax-exempt income and nondeductible expenses	
I Deductions—royalty income	Schedule E, line 18	A Tax-exempt interest income	Form 1040, line 8b
J Section 59(e)(2) expenditures	See the Partner's Instructions	B Other tax-exempt income	See the Partner's Instructions
K Deductions—portfolio (2% floor)	Schedule A, line 23	C Nondeductible expenses	See the Partner's Instructions
L Deductions—portfolio (other)	Schedule A, line 28	19. Distributions	
M Amounts paid for medical insurance	Schedule A, line 1 or Form 1040, line 29	A Cash and marketable securities	See the Partner's Instructions
N Educational assistance benefits	See the Partner's Instructions	B Other property	
O Dependent care benefits	Form 2441, line 14	C Distribution subject to section 737	
P Preproductive period expenses	See the Partner's Instructions	20. Other information	
Q Commercial revitalization deduction from rental real estate activities	See Form 8582 instructions	A Investment income	Form 4952, line 4e
R Pensions and IRAs	See the Partner's Instructions	B Investment expenses	Form 4952, line 5
S Reforestation expense deduction	See the Partner's Instructions	C Fuel tax credit information	Form 4136
T Domestic production activities information	See Form 8903 instructions	D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions
U Qualified production activities income	Form 8903, line 7	E Basis of energy property	See the Partner's Instructions
V Employer's Form W-2 wages	Form 8903, line 15	F Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
W Other deductions	See the Partner's Instructions	G Recapture of low-income housing credit (other)	Form 8611, line 8
14. Self-employment earnings (loss)		H Recapture of investment credit	See Form 4255
Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		I Recapture of other credits	See the Partner's Instructions
A Net earnings (loss) from self-employment	Schedule SE, Section A or B	J Look-back interest—completed long-term contracts	See Form 8697
B Gross farming or fishing income	See the Partner's Instructions	K Look-back interest—income forecast method	See Form 8866
C Gross non-farm income	See the Partner's Instructions	L Dispositions of property with section 179 deductions	See the Partner's Instructions
15. Credits		M Recapture of section 179 deduction	
A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions	N Interest expense for corporate partners	
B Low-income housing credit (other) from pre-2008 buildings	See the Partner's Instructions	O Section 453(j)(3) information	
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings	Form 8586, line 11	P Section 453A(c) information	
D Low-income housing credit (other) from post-2007 buildings	Form 8586, line 11	Q Section 1260(b) information	
E Qualified rehabilitation expenditures (rental real estate)	See the Partner's Instructions	R Interest allocable to production expenditures	
F Other rental real estate credits		S CCF nonqualified withdrawals	
G Other rental credits		T Depletion information—oil and gas	
H Undistributed capital gains credit	Form 1040, line 68; check box a	U Amortization of reforestation costs	
I Alcohol and cellulosic biofuel fuels credit	Form 6478, line 9	V Unrelated business taxable income	
		W Precontribution gain (loss)	
		X Other information	

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below.					Yes	No
						X
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital		
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details IS BY DEFINITION A SMALL PARTNERSHIP.						N/A
6 Does the partnership satisfy all four of the following conditions?						
a The partnership's total receipts for the tax year were less than \$250,000.						
b The partnership's total assets at the end of the tax year were less than \$1 million.						
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.						
d The partnership is not filing and is not required to file Schedule M-3						X
If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.						
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?						X
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?						X
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?						X
10 At any time during calendar year 2008, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country.						X
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions.						X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.						
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.						X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.						X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (including a disregarded entity) <input type="checkbox"/>						
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?						X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions <input type="checkbox"/>						
16 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. <input type="checkbox"/>						X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. <input type="checkbox"/>						

Designation of Tax Matters Partner (see instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP

REGGIE L. RAGSDALE

Identifying number of TMP

Address of designated TMP

Schedule K Partners' Distributive Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	(16734)
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach statement)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Guaranteed payments	4	3000
	5 Interest income	5	
	6 Dividends: a Ordinary dividends	6a	
	b Qualified dividends	6b	
	7 Royalties	7	
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a		
b Collectibles (28%) gain (loss)	9b		
c Unrecaptured section 1250 gain (attach statement)	9c		
10 Net section 1231 gain (loss) (attach Form 4797)	10		
11 Other income (loss) (see instructions) Type ▶	11		
Deductions	12 Section 179 deduction (attach Form 4562)	12	
	13a Contributions	13a	
	b Investment interest expense	13b	
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)	
d Other deductions (see instructions) Type ▶	13d		
Self-Employment	14a Net earnings (loss) from self-employment	14a	(13734)
	b Gross farming or fishing income	14b	
	c Gross nonfarm income	14c	
Credits	15a Low-income housing credit (section 42(j)(5))	15a	
	b Low-income housing credit (other)	15b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	
	d Other rental real estate credits (see instructions) Type ▶	15d	
	e Other rental credits (see instructions) Type ▶	15e	
	f Other credits (see instructions) Type ▶	15f	
Foreign Transactions	16a Name of country or U.S. possession ▶	16a	
	b Gross income from all sources	16b	
	c Gross income sourced at partner level Foreign gross income sourced at partnership level	16c	
	d Passive category ▶ e General category ▶ f Other ▶ Deductions allocated and apportioned at partner level	16f	
	g Interest expense ▶ h Other ▶ Deductions allocated and apportioned at partnership level to foreign source income	16h	
	i Passive category ▶ j General category ▶ k Other ▶	16k	
	l Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	16l	
	m Reduction in taxes available for credit (attach statement)	16m	
n Other foreign tax information (attach statement)	16n		
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a	
	b Adjusted gain or loss	17b	
	c Depletion (other than oil and gas)	17c	
	d Oil, gas, and geothermal properties—gross income	17d	
	e Oil, gas, and geothermal properties—deductions	17e	
	f Other AMT items (attach statement)	17f	
Other Information	18a Tax-exempt interest income	18a	
	b Other tax-exempt income	18b	
	c Nondeductible expenses	18c	
	19a Distributions of cash and marketable securities	19a	
	b Distributions of other property	19b	
	20a Investment income	20a	
b Investment expenses	20b		
c Other items and amounts (attach statement)			

SANTA ROSA CONSTRUCIN
c/o REGGIE L. RAGSDALE

Analysis of Net Income (Loss)

1	Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l	1	(13734)				
2	Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other
a	General partners		THREE				
b	Limited partners						

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (attach statement)				
7	Mortgage and real estate loans				
8	Other investments (attach statement)				
9a	Buildings and other depreciable assets				
b	Less accumulated depreciation				
10a	Depletable assets				
b	Less accumulated depletion				
11	Land (net of any amortization)				
12a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
13	Other assets (attach statement)				
14	Total assets				
Liabilities and Capital					
15	Accounts payable				
16	Mortgages, notes, bonds payable in less than 1 year				
17	Other current liabilities (attach statement)				
18	All nonrecourse loans				
19	Mortgages, notes, bonds payable in 1 year or more				
20	Other liabilities (attach statement)				
21	Partners' capital accounts				
22	Total liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return
Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1	Net income (loss) per books		6	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Guaranteed payments (other than health insurance)		7	Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):	
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		a	Depreciation \$	
a	Depreciation \$				
b	Travel and entertainment \$		8	Add lines 6 and 7	
5	Add lines 1 through 4		9	Income (loss) (Analysis of Net Income (Loss) line 1). Subtract line 8 from line 5	

Schedule M-2 Analysis of Partners' Capital Accounts

1	Balance at beginning of year		6	Distributions: a Cash	
2	Capital contributed: a Cash		b	Property	
	b Property		7	Other decreases (itemize):	
3	Net income (loss) per books				
4	Other increases (itemize):		8	Add lines 6 and 7	
5	Add lines 1 through 4		9	Balance at end of year. Subtract line 8 from line 5	



2008 Partnership Return of Income

565

For calendar year 2008 or fiscal year beginning month _____ day _____ year _____, and ending month _____ day _____ year _____

Partnership name (place label within block or type or print) _____ Check box if name changed

DBA **SANTA ROSA CNSTRCTN**
c/o REGGIE L. RAGSDALE

Address _____
City _____ State _____ ZIP Code _____

A FEIN _____
B Secretary of State (SOS) file number _____
C Principal business activity name (same as federal)
CONSTRUCTION
D Principal product or service (same as federal)
CONSTRUCTION

E Check accounting method: (1) Cash (2) Accrual (3) Other (attach explanation)
F Date business started in CA: **010104**
G Enter total assets at end of year: **\$ NOT REQ**
H Check the applicable box: (1) Initial return (2) FINAL RETURN (3) Amended return
I Principal business activity code (same as federal): **235900**

Caution: Include only trade or business income and expenses on line 1a through line 22 below. See the instructions for more information.

Income	1	a Gross receipts or sales \$ _____	b Less returns and allowances \$ _____	c Balance	1e	13850	00	
	2	Cost of goods sold (Schedule A, line 8) _____			2	0	00	
	3	GROSS PROFIT. Subtract line 2 from line 1c _____			3	13850	00	
	4	Total ordinary income from other partnerships and fiduciaries. Attach schedule _____			4	0	00	
	5	Total ordinary loss from other partnerships and fiduciaries. Attach schedule _____			5	0	00	
	6	Total farm profit. Attach federal Schedule F (Form 1040) _____			6	0	00	
	7	Total farm loss. Attach federal Schedule F (Form 1040) _____			7	0	00	
	8	Total gains included on Schedule D-1, Part II, line 17 (gain only) _____			8	0	00	
	9	Total losses included on Schedule D-1, Part II, line 17 (loss only) _____			9	0	00	
	10	Other income. Attach schedule _____			10	0	00	
	11	Other loss. Attach schedule _____			11	0	00	
	12	Total income (loss). Combine line 3 through line 11 _____			12	13850	00	
Deductions	13	Salaries and wages (other than to partners) _____			13	0	00	
	14	Guaranteed payments to partners _____			14	3000	00	
	15	Bad debts _____			15	0	00	
	16	Deductible interest expense not claimed elsewhere on return _____			16	2044	00	
	17	a Depreciation and amortization. Attach form FTB 3885P \$ _____			17e	24696	00	
		b Less depreciation reported on Schedule A and elsewhere on return \$ _____						
	Enclose, but do not staple, any payment	18	Depletion. Do not deduct oil and gas depletion _____			18	0	00
		19	Retirement plans, etc. _____			19	0	00
		20	Employee benefit programs _____			20	0	00
		21	Other deductions. Attach schedule _____			21	494	00
22		Total deductions. Add line 13 through line 21 _____			22	30234	00	
23		Ordinary income (loss) from trade or business activities. Subtract line 22 from line 12 _____			23	(16734)	00	
24		Tax — \$800.00 (LPs, LLPs, and REMICs only). See instructions _____			24		00	
Pay-ments	25	Nonresident withholding credit (\$300 maximum). See instructions _____			25		00	
	26	Amount paid with extension of time to file return (form FTB 3538) _____			26		00	
	27	Total payments. Add line 25 and line 26 _____			27		00	
Amount Due or Refund	28	Tax due. If line 24 is more than line 27, subtract line 27 from line 24 _____			28		00	
	29	Use Tax. This is not a total line. See instructions _____			29		00	
	30	Refund. If the total of line 24 and line 29 is less than line 27, subtract the total from line 27 _____			30		00	
	31	Penalties and interest _____			31		00	
	32	Total amount due. Add line 24, line 29, and line 31, then subtract line 27 from the result. Make the check or money order payable to the Franchise Tax Board _____			32		00	

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of general partner **REGGIE L. RAGSDALE** Date **091509** Telephone _____

Paid Preparer's Use Only Paid Preparer's signature **M. P. UMBERGER** Date **091509** Check if self-employed Paid Preparer's SSN/PTIN _____

Firm's name (or yours if self-employed) and address **HI-DESERT DULCINEA** Telephone _____ FEIN _____

May the FTB discuss this return with the preparer shown above (see instructions)? Yes No

Schedule A Cost of Goods Sold

1	Inventory at beginning of year	00
2	Purchases less cost of items withdrawn for personal use	00
3	Cost of labor	00
4	Additional IRC Section 263A costs. Attach schedule	00
5	Other costs. Attach schedule	00
6	Total through line 5	00
7	Inventory at end of year	00
8	Cost of goods sold: Subtract line 7 from line 6. Enter here and on Side 1, line 2.	00

- 9 a Check all methods used for valuing closing inventory:
- (1) Cost (2) Lower of cost or market as described in Treas. Reg. Section 1.471-4 (3) ~~Other. Specify method used and attach explanation~~ described in Treas. Reg. Section 1.471-2(c) (4) Other. Specify method used and attach explanation
- b Check this box if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970
- c Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the partnership? Yes No
- d Was there any change (other than for IRC Section 263A purposes) in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

- J What type of entity is filing this return? Check one only:
- 1 General partnership
 - 2 Limited partnership required to pay annual tax (is doing business in California, is registered with SOS, or is organized in California)
 - 3 Limited partnership, limited liability company (LLC), or other entity NOT required to pay annual tax (is not doing business in California, is not registered with SOS, and is not organized in California)
 - 4 REMIC
 - 5 Limited liability partnership
 - 6 Other (See instructions)

K Enter the maximum number of partners in this partnership at any time during the year. (Be sure to attach a California Schedule K-1 (565) for each partner) **TWO**

	Yes	No
L Is any partner of the partnership related (as defined in IRC Section 267(c)(4)) to any other partner?	<input checked="" type="checkbox"/>	
M Is any partner of the partnership a trust for the benefit of any person related (as defined in IRC Section 267(c)(4)) to any other partner?		<input checked="" type="checkbox"/>
N Are any partners in this partnership also partnerships or LLCs?		<input checked="" type="checkbox"/>
O Does the partnership meet all the requirements shown in the instructions for Question O?	<input checked="" type="checkbox"/>	
P Is this partnership a partner in another partnership or LLC? If "Yes," attach a statement with the name(s) and FEIN(s) of each entity		<input checked="" type="checkbox"/>
Q Was there a distribution of property or transfer (for example by sale or death) of a partnership interest during the taxable year? If "Yes," see the federal instructions concerning an election to adjust the basis of the partnership's assets under IRC Section 754		<input checked="" type="checkbox"/>
R Is this partnership a publicly traded partnership as defined in IRC Section 469(k)(2)?		<input checked="" type="checkbox"/>
S Is this partnership under audit by the IRS or has it been audited in a prior year?		<input checked="" type="checkbox"/>
T (1) For this taxable year, was there a change in control or majority ownership for this partnership (or any legal entity in which it holds a controlling or majority interest) that owned or leased real property in California?		<input checked="" type="checkbox"/>
(2) For this taxable year, did this partnership (or any legal entity in which it holds a controlling or majority interest) acquire control or majority ownership of any other legal entity that owned or leased real property in California?		<input checked="" type="checkbox"/>
(3) If this partnership (or any legal entity in which it holds a controlling or majority interest) owned or leased real property in California, has more than 50 percent of the partnership's interest cumulatively transferred in one or more transactions since March 1, 1975, which was not reported on a previous year's tax return?		<input checked="" type="checkbox"/>
(Penalties May Apply - See Instructions.)		<input checked="" type="checkbox"/>
U (1) Does the partnership have any foreign (non U.S.) nonresident partners?		<input checked="" type="checkbox"/>
(2) Does the partnership have any domestic (non-foreign) nonresident partners?		<input checked="" type="checkbox"/>
(3) Were Form 592, Form 592-A, Form 592-B, and Form 592-F filed for these partners?	<input checked="" type="checkbox"/>	
V Is this an investment partnership? See General Information, Investment Partnerships, in the instructions		<input checked="" type="checkbox"/>
W Is the partnership apportioning income to California using Schedule R?		<input checked="" type="checkbox"/>
X Has the partnership included a Reportable Transaction or Listed Transaction within this return? (See instructions for definitions.) If "Yes," complete and attach Form 8886 for each transaction		<input checked="" type="checkbox"/>
Y Did this partnership file the Federal Schedule M-3 (Form 1065)?		<input checked="" type="checkbox"/>
Z Is this partnership a direct owner of an entity that filed a federal Schedule M-3?		<input checked="" type="checkbox"/>
AA Does this partnership have a beneficial interest in a trust or is it a grantor of a trust? Attach name, address, and FEIN.		<input checked="" type="checkbox"/>
AB Does this partnership own an interest in a business entity disregarded for tax purposes? Attach schedule of disregarded entity names and identification numbers		<input checked="" type="checkbox"/>
AC During the year did this partnership defer any gains from the disposition of assets?		<input checked="" type="checkbox"/>

Partner's Share of Income, Deductions, Credits, etc.

K-1 (565)

For calendar year 2008 or fiscal year beginning month _____ day _____ year _____ and ending month _____ day _____ year _____

Partner's identifying number _____ Partner's name, address, city, state, and ZIP Code REGGIE L. RAGSDALE _____ _____	Partnership's FEIN _____ Secretary of State file number _____ Partnership's name, address, city, state, and ZIP Code SANTA ROSA CNSTRCTN c/o REGGIE L. RAGSDALE _____ _____
---	---

A Is this partner a: (1) general partner; or (2) limited partner?

B What type of entity is this partner? ●

(1) <input type="checkbox"/> Individual	(5) <input checked="" type="checkbox"/> General Partnership	(9) <input type="checkbox"/> IRA/Keogh/SEP
(2) <input type="checkbox"/> S Corporation	(6) <input type="checkbox"/> Limited Partnership	(10) <input type="checkbox"/> Exempt Organization
(3) <input type="checkbox"/> Estate/Trust	(7) <input type="checkbox"/> LLP	(11) <input type="checkbox"/> Disregarded Entity
(4) <input type="checkbox"/> C Corporation	(8) <input type="checkbox"/> LLC	

C Is this partner a foreign partner? ● Yes No

D Enter partner's percentage (without regard to special allocations) of:

	(i) Before decrease or termination	(ii) End of year
Profit sharing	50 %	50 %
Loss sharing	50 %	50 %
Ownership of capital	50 %	50 %

E Partner's share of liabilities:

Nonrecourse	● \$ 50 %
Qualified nonrecourse financing	● \$ 50 %
Other	● \$ 50 %

F Reportable transaction or tax shelter registration number(s) _____

G (1) Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2)
 (2) Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1)

H Check here if this is: ●
 (1) A final Schedule K-1 (565) (2) An amended Schedule K-1 (565)

I Is this partner a nonresident of California? Yes No

J Analysis of partner's capital account: Check the box ● (1) Tax Basis (2) GAAP (3) Section 704(b) Book (4) Other (explain) _____

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of line 3, line 4, and line 7, Form 565, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year, combine column (a) through column (d)

Caution: Refer to Partner's Instructions for Schedule K-1 (565) before entering information from this schedule on your California return.

(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
1 Ordinary income (loss) from trade or business activities	(8367)		(8367)	(8367)
2 Net income (loss) from rental real estate activities				
3 Net income (loss) from other rental activities				
4 Guaranteed payments to partners				
5 Interest income				
6 Dividends				
7 Royalties				
8 Net short-term capital gain (loss)				
9 Net long-term capital gain (loss)				
10 a Total Gain under IRC Section 1231 (other than due to casualty or theft)				
b Total Loss under IRC Section 1231 (other than due to casualty or theft)				
11 a Other portfolio income (loss). Attach schedule				
b Total other income. Attach schedule				
c Total other loss. Attach schedule				

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Deductions	12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6 and 17268).....				
	13 a Charitable contributions.....				
	b Investment interest expense.....				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply.....				
	2 Type of expenditures.....				
	d Deductions related to portfolio income.....				
	e Other deductions. Attach schedule.....				
Credits	15 a Total withholding (equals amount on Form 592-B if calendar year partnership).....				
	b Low-income housing credit.....				
	c Credits other than line 15b related to rental real estate activities.....				
	d Credits related to other rental activities.....				
	e Nonconsenting nonresident partner's tax paid by partnership.....				
	f Other credits - Attach required schedules or statements.....				
Alternative Minimum Tax (AMT) Items	17 a Depreciation adjustment on property placed in service after 1986.....				
	b Adjusted gain or loss.....				
	c Depletion (other than oil & gas).....				
	d Gross income from oil, gas, and geothermal properties.....				
	e Deductions allocable to oil, gas, and geothermal properties.....				
	f Other alternative minimum tax items.....				
Tax-Exempt Income and Nondeductible Expenses	18 a Tax-exempt interest income.....				
	b Other tax-exempt income.....				
	c Nondeductible expenses.....				
Distributions	19 a Distributions of money (cash and marketable securities).....				
	b Distributions of property other than money.....				
Other Information	20 a Investment income.....				
	b Investment expenses.....				
	c Other information. See instructions.....				

Other Partner Information

Table 1 — Partner's share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the partners):

Interest \$ _____ Sec. 1231 Gains/Losses \$ _____ Capital Gains/Losses \$ _____
Dividends \$ _____ Royalties \$ _____ Other \$ _____

FOR USE BY APPORTIONING UNITARY PARTNERS ONLY — See instructions.

Table 2 — Partner's share of distributive items.

- A. Partner's share of the partnership's business income. See instructions. \$ _____
- B. Partner's share of nonbusiness income from real and tangible personal property sourced or allocable to California.

Capital Gains/Losses \$ _____ Rents/Royalties \$ _____
Sec. 1231 Gains/Losses \$ _____ Other \$ _____

- C. Partner's distributive share of the partnership's property, payroll, and sales:

Factors	Total within and outside California	Total within California
Property: Beginning	\$ _____	\$ _____
Ending	\$ _____	\$ _____
Annual Rent Expense	\$ _____	\$ _____
Payroll	\$ _____	\$ _____
Sales	\$ _____	\$ _____

SANTA ROSA CNSTRCTN
c/o REGGIE L. RAGSDALE

REGGIE L. RAGSDALE

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2008

Partner's Share of Income, Deductions, Credits, etc.

K-1 (565)

For calendar year 2008 or fiscal year beginning month _____ day _____ year _____ and ending month _____ day _____ year _____

Partner's identifying number _____ Partner's name, address, city, state, and ZIP Code <p style="text-align: center;">CASSANDRA RAGSDALE _____ _____</p>	Partnership's FEIN _____ Secretary of State file number _____ Partnership's name, address, city, state, and ZIP Code <p style="text-align: center;">SANTA ROSA CNSTRCTN c/o REGGIE L. RAGSDALE _____ _____</p>
--	--

A Is this partner a: (1) general partner; or (2) limited partner?

B What type of entity is this partner? ●

(1) <input type="checkbox"/> Individual	(5) <input checked="" type="checkbox"/> General Partnership	(9) <input type="checkbox"/> IRA/Keogh/SEP
(2) <input type="checkbox"/> S Corporation	(6) <input type="checkbox"/> Limited Partnership	(10) <input type="checkbox"/> Exempt Organization
(3) <input type="checkbox"/> Estate/Trust	(7) <input type="checkbox"/> LLP	(11) <input type="checkbox"/> Disregarded Entity
(4) <input type="checkbox"/> C Corporation	(8) <input type="checkbox"/> LLC	

C Is this partner a foreign partner? ● Yes No

D Enter partner's percentage (without regard to special allocations) of:

	(i) Before decrease or termination	(ii) End of year
Profit sharing	25 %	25 %
Loss sharing	25 %	25 %
Ownership of capital	25 %	25 %

E Partner's share of liabilities:

Nonrecourse	\$ 25	%
Qualified nonrecourse financing	\$ 25	%
Other	\$ 25	%

F Reportable transaction or tax shelter registration number(s) _____

G (1) Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2)
 (2) Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1)

H Check here if this is: ●
 (1) A final Schedule K-1 (565) (2) An amended Schedule K-1 (565)

I Is this partner a nonresident of California? Yes ● No

J Analysis of partner's capital account: Check the box ● (1) Tax Basis (2) GAAP (3) Section 704(b) Book (4) Other (explain) _____

Capital account at beginning of year (a)	Capital contributed during year (b)	Partner's share of line 3, line 4, and line 7, Form 565, Schedule M-2 (c)	Withdrawals and distributions (d)	Capital account at end of year, combine column (a) through column (d) (e)

Caution: Refer to Partner's Instructions for Schedule K-1 (565) before entering information from this schedule on your California return.

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Income (Loss)	1 Ordinary income (loss) from trade or business activities	(4183)		(4183)	(4183)
	2 Net income (loss) from rental real estate activities				
	3 Net income (loss) from other rental activities				
	4 Guaranteed payments to partners	1500		1500	1500
	5 Interest income				
	6 Dividends				
	7 Royalties				
	8 Net short-term capital gain (loss)				
	9 Net long-term capital gain (loss)				
	10 a Total Gain under IRC Section 1231 (other than due to casualty or theft)				
	b Total Loss under IRC Section 1231 (other than due to casualty or theft)				
11 a Other portfolio income (loss). Attach schedule					
b Total other income. Attach schedule					
c Total other loss. Attach schedule					

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(e) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Deductions	12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6 and 17268)				
	13 a Charitable contributions				
	b Investment interest expense				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply				
	2 Type of expenditures				
	d Deductions related to portfolio income				
	e Other deductions. Attach schedule				
Credits	15 a Total withholding (equals amount on Form 592-B if calendar year partnership)				
	b Low-income housing credit				
	c Credits other than line 15b related to rental real estate activities				
	d Credits related to other rental activities				
	e Nonconsenting nonresident partner's tax paid by partnership				
	f Other credits - Attach required schedules or statements				
Alternative Minimum Tax (AMT) Items	17 a Depreciation adjustment on property placed in service after 1986				
	b Adjusted gain or loss				
	c Depletion (other than oil & gas)				
	d Gross income from oil, gas, and geothermal properties				
	e Deductions allocable to oil, gas, and geothermal properties				
	f Other alternative minimum tax items				
Tax-Exempt Income and Nondeductible Expenses	18 a Tax-exempt interest income				
	b Other tax-exempt income				
	c Nondeductible expenses				
Distributions	19 a Distributions of money (cash and marketable securities)				
	b Distributions of property other than money				
Other Information	20 a Investment income				
	b Investment expenses				
	c Other information. See instructions				

Other Partner Information

Table 1 — Partner's share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the partners):

Interest \$ _____ Sec. 1231 Gains/Losses \$ _____ Capital Gains/Losses \$ _____
 Dividends \$ _____ Royalties \$ _____ Other \$ _____

FOR USE BY APPORTIONING UNITARY PARTNERS ONLY - See instructions.

Table 2 — Partner's share of distributive items.

A. Partner's share of the partnership's business income. See instructions. \$ _____

B. Partner's share of nonbusiness income from real and tangible personal property sourced or allocable to California.

Capital Gains/Losses \$ _____ Rents/Royalties \$ _____

Sec. 1231 Gains/Losses \$ _____ Other \$ _____

C. Partner's distributive share of the partnership's property, payroll, and sales:

Factors	Total within and outside California	Total within California
Property: Beginning	\$ _____	\$ _____
Ending	\$ _____	\$ _____
Annual Rent Expense	\$ _____	\$ _____
Payroll	\$ _____	\$ _____
Sales	\$ _____	\$ _____

SANTA ROSA CNSTRCTN
 c/o REGGIE L. RAGSDALE

CASSANDRA RAGSDALE

The first part of the document discusses the importance of maintaining accurate records. It states that proper record-keeping is essential for the efficient operation of any organization. This includes tracking financial transactions, personnel files, and operational data. The document emphasizes that these records should be kept up-to-date and accessible to authorized personnel.

In addition, the document outlines the responsibilities of various departments. The finance department is responsible for ensuring that all financial transactions are properly recorded and reported. The human resources department is responsible for maintaining accurate personnel files and ensuring that all employees are properly documented. The operations department is responsible for tracking and reporting on all operational activities.

The document also discusses the importance of data security. It states that all records should be stored in a secure location and protected from unauthorized access. This includes implementing strong password policies, using encryption for sensitive data, and regularly backing up all records. The document stresses that data security is a top priority for the organization and that all employees must adhere to the established security protocols.

Finally, the document provides a list of key performance indicators (KPIs) that will be used to measure the organization's performance. These KPIs include financial metrics such as revenue, profit, and expenses, as well as operational metrics such as production volume, quality control, and customer satisfaction. The document states that these KPIs will be reviewed regularly and used to identify areas for improvement.

The second part of the document provides a detailed overview of the organization's current status. It includes a summary of the organization's financial performance over the past year, highlighting both strengths and areas for improvement. The document also provides an overview of the organization's operational performance, including production volume, quality control, and customer satisfaction.

The document also discusses the organization's strategic goals for the next year. These goals include increasing revenue, improving operational efficiency, and enhancing customer satisfaction. The document outlines the key initiatives that will be implemented to achieve these goals, including investing in new technology, improving employee training, and expanding into new markets.

Finally, the document provides a list of key risks that the organization faces. These risks include changes in market conditions, increased competition, and potential regulatory changes. The document outlines the strategies that will be implemented to mitigate these risks and ensure the organization's long-term success.

Partner's Share of Income, Deductions, Credits, etc.

2008

K-1 (565)

For calendar year 2008 or fiscal year beginning month _____ day _____ year _____ and ending month _____ day _____ year _____

Partner's identifying number _____ Partnership's FEIN _____

Partner's name, address, city, state, and ZIP Code _____ Secretary of State file number _____

JAMIE RAGSDALE

Partnership's name, address, city, state, and ZIP Code

SANTA ROSA CNSTRCTN
c/o REGGIE L. RAGSDALE

A Is this partner a: (1) general partner; or (2) limited partner?

B What type of entity is this partner?

- (1) Individual
- (2) S Corporation
- (3) Estate/Trust
- (4) C Corporation
- (5) General Partnership
- (6) Limited Partnership
- (7) LLP
- (8) LLC
- (9) IRA/Keogh/SEP
- (10) Exempt Organization
- (11) Disregarded Entity

C Is this partner a foreign partner? Yes No

D Enter partner's percentage (without regard to special allocations) of:

(i) - Before decrease or termination (ii) End of year

Profit sharing 25 % 25 %
Loss sharing 25 % 25 %
Ownership of capital 25 % 25 %

E Partner's share of liabilities:

Nonrecourse \$ 25 %
Qualified nonrecourse financing \$ 25 %
Other \$ 25 %

F Reportable transaction or tax shelter registration number(s) _____

G (1) Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2)
(2) Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1)

H Check here if this is: (1) A final Schedule K-1 (565) (2) An amended Schedule K-1 (565)
I Is this partner a nonresident of California? Yes No

J Analysis of partner's capital account: Check the box (1) Tax Basis (2) GAAP (3) Section 704(b) Book (4) Other (explain)

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of line 3, line 4, and line 7, Form 565, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year, combine column (a) through column (d)

Caution: Refer to Partner's instructions for Schedule K-1 (565) before entering information from this schedule on your California return.

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Income (Loss)	1 Ordinary income (loss) from trade or business activities	(4183)		(4183)	(4183)
	2 Net income (loss) from rental real estate activities				
	3 Net income (loss) from other rental activities				
	4 Guaranteed payments to partners	1500		1500	1500
	5 Interest income				
	6 Dividends				
	7 Royalties				
	8 Net short-term capital gain (loss)				
	9 Net long-term capital gain (loss)				
	10 a Total Gain under IRC Section 1231 (other than due to casualty or theft)				
	b Total Loss under IRC Section 1231 (other than due to casualty or theft)				
11	a Other portfolio income (loss). Attach schedule				
	b Total other income. Attach schedule				
	c Total other loss. Attach schedule				

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Deductions	12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6 and 17268)				
	13 a Charitable contributions				
	b Investment interest expense				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply				
	2 Type of expenditures				
	d Deductions related to portfolio income				
	e Other deductions. Attach schedule				
Credits	15 a Total withholding (equals amount on Form 592-B if calendar year partnership)				
	b Low-income housing credit				
	c Credits other than line 15b related to rental real estate activities				
	d Credits related to other rental activities				
	e Nonconsenting nonresident partner's tax paid by partnership				
	f Other credits - Attach required schedules or statements				
Alternative Minimum Tax (AMT) Items	17 a Depreciation adjustment on property placed in service after 1986				
	b Adjusted gain or loss				
	c Depletion (other than oil & gas)				
	d Gross income from oil, gas, and geothermal properties				
	e Deductions allocable to oil, gas, and geothermal properties				
	f Other alternative minimum tax items				
Tax-Exempt Income and Deductible Expenses	18 a Tax-exempt interest income				
	b Other tax-exempt income				
	c Nondeductible expenses				
Distributions	19 a Distributions of money (cash and marketable securities)				
	b Distributions of property other than money				
Other Information	20 a Investment income				
	b Investment expenses				
	c Other information. See instructions				

Other Partner Information

Table 1 — Partner's share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the partners):

Interest \$ _____ Sec. 1231 Gains/Losses \$ _____ Capital Gains/Losses \$ _____
 Dividends \$ _____ Royalties \$ _____ Other \$ _____

FOR USE BY APPORTIONING UNITARY PARTNERS ONLY — See instructions.

Table 2 — Partner's share of distributive items.

A. Partner's share of the partnership's business income. See instructions. \$ _____

B. Partner's share of nonbusiness income from real and tangible personal property sourced or allocable to California.

Capital Gains/Losses \$ _____ Rents/Royalties \$ _____

Sec. 1231 Gains/Losses \$ _____ Other \$ _____

C. Partner's distributive share of the partnership's property, payroll, and sales:

Factors	Total within and outside California	Total within California
Property: Beginning	\$ _____	\$ _____
Ending	\$ _____	\$ _____
Annual Rent Expense	\$ _____	\$ _____
Payroll	\$ _____	\$ _____
Sales	\$ _____	\$ _____

SANTA ROSA CNSTRCTN
 c/o REGGIE L. RAGSDALE

JAMIE RAGSDALE

[REDACTED]

[REDACTED]

[REDACTED]

Schedule K Partners' Shares of Income, Deductions, Credits, etc.

		(a) Distributive share items	(b) Amounts from federal K (1965)	(c) California adjustments	(d) Total amounts using California law	
Income (Loss)	1	Ordinary income (loss) from trade or business activities	1 (16734)		(16734)	
	2	Net income (loss) from rental real estate activities. Attach federal Form 8825	2			
	3	a	Gross income (loss) from other rental activities	3a		
		b	Less expenses. Attach schedule	3b		
		c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c		
	4	Guaranteed payments to partners	4 3000		3000	
	5	Interest income	5			
	6	Dividends	6			
	7	Royalties	7			
	8	Net short-term capital gain (loss). Attach Schedule D (565)	8			
	9	Net long-term capital gain (loss). Attach Schedule D (565)	9			
10	a	Total Gain under IRC Section 1231 (other than due to casualty or theft)	10a			
	b	Total Loss under IRC Section 1231 (other than due to casualty or theft)	10b			
	c	Total other loss. Attach schedule	10c			
11	a	Other portfolio income (loss). Attach schedule	11a			
	b	Total other income. Attach schedule	11b			
	c	Total other loss. Attach schedule	11c			
Deductions	12	Expense deduction for recovery property (IRC Section 179 and R&T Sections 17267.2, 17267.6, and 17268). Attach schedule	12			
	13	a	Charitable contributions. See instructions. Attach schedule	13a		
		b	Investment interest expense	13b		
	13c	1	Total expenditures to which IRC Section 59(e) election may apply. Attach schedule	13c1		
		2	Type of expenditures	13c2		
	13d	Deductions related to portfolio income	13d			
13e	Other deductions. Attach schedule	13e				
Credits	15	a	Withholding on partnership allocated to all partners	15a		
	b	Low-income housing credit	15b			
	15c	Credits other than the credit shown on line 15b related to rental real estate activities	15c			
	15d	Credits related to other rental activities	15d			
	15e	Nonconsenting nonresident members' tax allocated to all partners	15e			
	15f	Other credits	15f			
Alternative Minimum Tax (AMT) Items	17	a	Depreciation adjustment on property placed in service after 1986	17a		
	b	Adjusted gain or loss	17b			
	17c	Depletion (other than oil and gas)	17c			
	17d	Gross income from oil, gas, and geothermal properties	17d			
	17e	Deductions allocable to oil, gas, and geothermal properties	17e			
	17f	Other alternative minimum tax items	17f			
Other Information	18	a	Tax-exempt interest income	18a		
	b	Other tax-exempt income	18b			
	18c	Nondeductible expenses	18c			
19	a	Distributions of money (cash and marketable securities)	19a			
	b	Distribution of property other than money	19b			
20	a	Investment income	20a			
	b	Investment expenses	20b			
	c	Other information. See instructions	20c			
Analysis	21	a	Total distributive income/payment items. Combine lines 1, 2, and 3c through 11c. From the result, subtract the sum of lines 12 through 13c.	21a (13734)	(13734)	
	b	Analysis by type of partner:	(a) Corporate	(b) Individual	(c) Partnership	(d) Exempt Organization
		(1) General partners	I. Active			
		(2) Limited partners	II. Passive			
			THREE			

SANTA ROSA CNSTRCTN
c/o REGGIE L. RAGSDALE

[REDACTED]

[REDACTED]

NOT REQUIRED

Schedule L Balance Sheets. See the instructions for Question O before completing Schedules L, M-1, and M-2.

	Beginning of income year		End of income year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				
2 a Trade notes and accounts receivable				
b Less allowance for bad debts	()		()	
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets. Attach schedule				
7 Mortgage and real estate loans				
8 Other investments. Attach schedule				
9 a Buildings and other depreciable assets				
b Less accumulated depreciation	()		()	
10 a Depletable assets				
b Less accumulated depletion	()		()	
11 Land (net of any amortization)				
12 a Intangible assets (amortizable only)				
b Less accumulated amortization	()		()	
13 Other assets. Attach schedule				
14 Total assets				
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities. Attach schedule				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities. Attach schedule				
21 Partners' capital accounts				
22 Total liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return. Use total amount under California law. If the partnership completed federal Schedule M-3 (Form 1065), see instructions.

1 Net income (loss) per books		6 Income recorded on books this year not included on Schedule K, line 1 through line 11c. Itemize:	
2 Income included on Schedule K, line 1 through line 11c, not recorded on books this year. Itemize		a Tax-exempt interest	\$
3 Guaranteed payments (other than health insurance)		b Other	\$
4 Expenses recorded on books this year not included on Schedule K, line 1 through line 13e. Itemize:		c Total. Add line 6a and line 6b	
a Depreciation	\$	7 Deductions included on Schedule K, line 1 through line 13e, not charged against book income this year. Itemize:	
b Travel and entertainment	\$	a Depreciation	\$
c Limited partnership tax	\$	b Other	\$
d Other	\$	c Total. Add line 7a and line 7b	
e Total. Add line 4a through 4d		8 Total. Add line 6c and line 7c	
5 Total of line 1 through line 4e		9 Income (loss) (Schedule K, line 21a). Subtract line 8 from line 5	

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year		5 Total of line 1 through line 4	
2 Capital contributed during year:		6 Distributions:	
a Cash		a Cash	
b Property		b Property	
3 Net income (loss) per books		7 Other decreases. Itemize	
4 Other increases. Itemize			
		8 Total of line 6 and line 7	
		9 Balance at end of year. Subtract line 8 from line 5	

COPY

Label

(See instructions on page 14.) Use the IRS label. Otherwise, please print or type.

For the year Jan. 1-Dec. 31, 2009, or other tax year beginning 2009, ending 20. OMB No. 1545-0074. Your first name and initial: REGGIE L. Last name: RAGSDALE. Your social security number: [redacted]. If a joint return, spouse's first name and initial: JACQUE L. Last name: RAGSDALE. Spouse's social security number: [redacted]. Home address (number and street): [redacted]. Apt. no.: [redacted]. City, town or post office, state, and ZIP code: [redacted].

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 14) You [checked] Spouse [checked]

Filing Status 1 [] Single 2 [X] Married filing jointly (even if only one had income) 3 [] Married filing separately. Enter spouse's SSN above and full name here. 4 [] Head of household (with qualifying person). (See page 15.) If the qualifying person is a child but not your dependent, enter this child's name here. 5 [] Qualifying widow(er) with dependent child (see page 16)

Exemptions 6a [X] Yourself. If someone can claim you as a dependent, do not check box 6a. 6b [X] Spouse. 6c Dependents: (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) [] if qualifying child for child tax credit (see page 17). CASSANDRA RAGSDALE [redacted] DAUGHTER [] [] [] [] No. of children on 6c who: lived with you [] did not live with you due to divorce or separation (see page 18) [] Dependents on 6c not entered above [] Add numbers on lines above 3

Income table with columns for line number, description, and amount. Line 7: 200. Line 8a: 38836. Line 9a: 0. Line 10: 0. Line 11: 0. Line 12: 0. Line 13: 28838. Line 14: 0. Line 15a: 0. Line 16a: 0. Line 17: 24898. Line 18: 0. Line 19: 0. Line 20a: 0. Line 21: 0. Line 22: 92772.

Adjusted Gross Income table with columns for line number, description, and amount. Line 23: 0. Line 24: 0. Line 25: 0. Line 26: 0. Line 27: 431. Line 28: 0. Line 29: 3700. Line 30: 0. Line 31a: 0. Line 32: 0. Line 33: 0. Line 34: 0. Line 35: 0. Line 36: 4131. Line 37: 88641.

Tax and Credits

Standard Deduction for—

• People who check any box on line 39a, 39b, or 40b or who can be claimed as a dependent, see page 35.

• All others: Single or Married filing separately, \$5,700

Married filing jointly or Qualifying widow(er), \$11,400

Head of household, \$8,350

Table with columns for line number, description, and amount. Includes lines 38-55 for Tax and Credits.

Other Taxes

Table with columns for line number, description, and amount. Includes lines 56-60 for Other Taxes.

Payments

If you have a qualifying child, attach Schedule EIC.

Table with columns for line number, description, and amount. Includes lines 61-71 for Payments.

Refund

Direct deposit? See page 73 and fill in 73b, 73c, and 73d, or Form 8888.

Table with columns for line number, description, and amount. Includes lines 72-74 for Refund.

Amount You Owe

Table with columns for line number, description, and amount. Includes lines 75-76 for Amount You Owe.

Third Party Designee

Form for Third Party Designee with fields for name, phone number, and PIN.

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature section with fields for preparer and spouse signatures, dates, occupations, and phone numbers.

Paid Preparer's Use Only

Form for Paid Preparer's Use Only with fields for signature, firm name, EIN, and phone number.

**SCHEDULE A
(Form 1040)**

Itemized Deductions

OMB No. 1545-0074

2009

Attachment
Sequence No. **07**

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040.

▶ See instructions for Schedule A (Form 1040).

Name(s) shown on Form 1040

REGGIE L. AND JACQUE L. RAGSDALE

Your social security number
557-27-5285

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.					
	1	Medical and dental expenses (see page A-1)	1	6631		
	2	Enter amount from Form 1040, line 38	2	6648		
	3	Multiply line 2 by 7.5% (.075)	3			
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4		0	
Taxes You Paid <small>(See page A-2.)</small>	5 State and local (check only one box):		5	1135		
	a <input type="checkbox"/> Income taxes, or		6	20881		
	b <input checked="" type="checkbox"/> General sales taxes		7	0		
	6	Real estate taxes (see page A-5)	8	1063		
	7	New motor vehicle taxes from line 11 of the worksheet on back. Skip this line if you checked box 5b	9			
	8	Other taxes. List type and amount ▶ <u>DMV</u>				
	9	Add lines 5 through 8			23079	
	Interest You Paid <small>(See page A-6.)</small>	10	Home mortgage interest and points reported to you on Form 1098	10	10045	
		11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-7 and show that person's name, identifying no., and address ▶ <u>BANK AMERICA SIMI VALLEY</u>		6258	
11				2896		
12		Points not reported to you on Form 1098. See page A-7 for special rules	12			
13		Qualified mortgage insurance premiums (see page A-7)	13			
14		Investment interest. Attach Form 4952 if required. (See page A-8.)	14			
	15	Add lines 10 through 14	15		19199	
Gifts to Charity <small>If you made a gift and got a benefit for it, see page A-8.</small>	16	Gifts by cash or check. If you made any gift of \$250 or more, see page A-8	16	17847		
	17	Other than by cash or check. If any gift of \$250 or more, see page A-8. You must attach Form 8283 if over \$500	17	498		
	18	Carryover from prior year	18			
	19	Add lines 16 through 18	19		18345	
Casualty and Theft Losses	20	Casualty or theft loss(es). Attach Form 4684. (See page A-10.)	20			
Job Expenses and Certain Miscellaneous Deductions <small>(See page A-10.)</small>	21	Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-10.) ▶	21			
	22	Tax preparation fees	22	1200		
	23	Other expenses—investment, safe deposit box, etc. List type and amount ▶	23			
	24	Add lines 21 through 23	24	1200		
	25	Enter amount from Form 1040, line 38	25	1773		
	26	Multiply line 25 by 2% (.02)	26			
	27	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-	27		0	
Other Miscellaneous Deductions	28	Other—from list on page A-11. List type and amount ▶	28			
Total Itemized Deductions	29	Is Form 1040, line 38, over \$166,800 (over \$83,400 if married filing separately)? <input type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40a. <input type="checkbox"/> Yes. Your deduction may be limited. See page A-11 for the amount to enter.	29		60623	
	30	If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>				

SCHEDULE D
(Form 1040)

Capital Gains and Losses

OMB No. 1545-0074

2009

Attachment
Sequence No. **12**

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040 or Form 1040NR. ▶ See instructions for Schedule D (Form 1040).
▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

Name(s) shown on return

REGGIE L. AND JACQUE L. RAGSDALE

Your social security number

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-7 of the instructions)	(e) Cost or other basis (see page D-7 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
1					
2 Enter your short-term totals, if any, from Schedule D-1, line 2					
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d)					
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824					
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					
6 Short-term capital loss carryover. Enter the amount, if any, from line 10 of your Capital Loss Carryover Worksheet on page D-7 of the instructions					()
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f)					

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-7 of the instructions)	(e) Cost or other basis (see page D-7 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
8					
9 Enter your long-term totals, if any, from Schedule D-1, line 9					
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d)					
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824					
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					28838
13 Capital gain distributions. See page D-2 of the instructions					
14 Long-term capital loss carryover. Enter the amount, if any, from line 15 of your Capital Loss Carryover Worksheet on page D-7 of the instructions					()
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on the back					28838

Part III Summary

<p>16 Combine lines 7 and 15 and enter the result</p>	<p>16</p>	<p>28638</p>
<p>If line 16 is:</p> <ul style="list-style-type: none"> • A gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below. • A loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22. • Zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22. 		
<p>17 Are lines 15 and 16 both gains?</p> <p><input type="checkbox"/> Yes. Go to line 18.</p> <p><input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.</p>		
<p>18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet on page D-8 of the instructions</p>	<p>18</p>	
<p>19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet on page D-9 of the instructions</p>	<p>19</p>	
<p>20 Are lines 18 and 19 both zero or blank?</p> <p><input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 39 of the instructions for Form 1040 (or in the instructions for Form 1040NR). Do not complete lines 21 and 22 below.</p> <p><input type="checkbox"/> No. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Schedule D Tax Worksheet on page D-10 of the instructions. Do not complete lines 21 and 22 below.</p>		
<p>21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of:</p> <ul style="list-style-type: none"> • The loss on line 16 or • (\$3,000), or if married filing separately, (\$1,500) <p>Note. When figuring which amount is smaller, treat both amounts as positive numbers.</p>	<p>21</p>	
<p>22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?</p> <p><input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 39 of the instructions for Form 1040 (or in the instructions for Form 1040NR).</p> <p><input type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.</p>		

SCHEDULE E
(Form 1040)

Supplemental Income and Loss
(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

2009

Attachment
Sequence No. **13**

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ See Instructions for Schedule E (Form 1040).

Name(s) shown on return

Your social security number

REGGIE L. AND JACQUE L. RAGSDALE

Part I **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see page E-3). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1	List the type and address of each rental real estate property:	2 For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of: • 14 days or • 10% of the total days rented at fair rental value? (See page E-3)	Yes	No
A	OAK CREEK PROPERTIES LLC [REDACTED]			X
B				
C				

	Properties			Totals
	A	B	C	(Add columns A, B, and C)
3 Rents received	18697			18697
4 Royalties received				
Expenses:				
5 Advertising				
6 Auto and travel (see page E-4)				
7 Cleaning and maintenance				
8 Commissions				
9 Insurance				
10 Legal and other professional fees				
11 Management fees				
12 Mortgage interest paid to banks, etc. (see page E-5)				
13 Other interest				
14 Repairs				
15 Supplies				
16 Taxes				
17 Utilities				
18 Other (list) ▶				
19 Add lines 5 through 18				
20 Depreciation expense or depletion (see page E-5)				
21 Total expenses. Add lines 19 and 20				
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-5 to find out if you must file Form 6198.	18697			18697
23 Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2				
24 Income. Add positive amounts shown on line 22. Do not include any losses				18697
25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here				
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.				18697

Name(s) shown on return. Do not enter name and social security number if shown on other side.

Your social security number

REGGIE L. AND JACQUE L. RAGSDALE

Caution. The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations Note. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See page E-1.

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see page E-7 before completing this section. Yes No

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	OPTOMETRIC CTR MORENO VLLY	P	<input type="checkbox"/>	[REDACTED]	<input type="checkbox"/>
B	OPTOMETRIC CTR MORENO VLLY	P	<input type="checkbox"/>	[REDACTED]	<input type="checkbox"/>
C	SAN JUAN CONSTRUCTION CO	P	<input type="checkbox"/>	[REDACTED]	<input type="checkbox"/>
D	OAK CREEK PROPERTIES LLC	P	<input type="checkbox"/>	[REDACTED]	<input type="checkbox"/>

Passive Income and Loss

Nonpassive Income and Loss

	(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A			9815	K1R	33000
B			99	K1J	400
C			17084	K1R	
D	200				
29a Totals					33400
b Totals			26999		
30	Add columns (g) and (j) of line 29a				30 33400
31	Add columns (f), (h), and (i) of line 29b				31 (27199)
32	Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below				32 6201

Part III Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer identification number
A		
B		

Passive Income and Loss

Nonpassive Income and Loss

	(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedules K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A				
B				
34a Totals				
b Totals				
35	Add columns (d) and (f) of line 34a			35
36	Add columns (c) and (e) of line 34b			36 ()
37	Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below			37

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) - Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see page E-8)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39

Part V Summary

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18	41	24898
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code U; and Schedule K-1 (Form 1041), line 14, code F (see page E-8)	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see page E-2), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules	43	

**SCHEDULE SE
(Form 1040)**

Self-Employment Tax

OMB No. 1545-0074

2009

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040.

▶ See Instructions for Schedule SE (Form 1040).

Attachment
Sequence No. **17**

Name of person with self-employment income (as shown on Form 1040)

REGGIE L. RAGSDALE

Social security number of person
with self-employment income ▶

557-27-5285

Who Must File Schedule SE

You must file Schedule SE if:

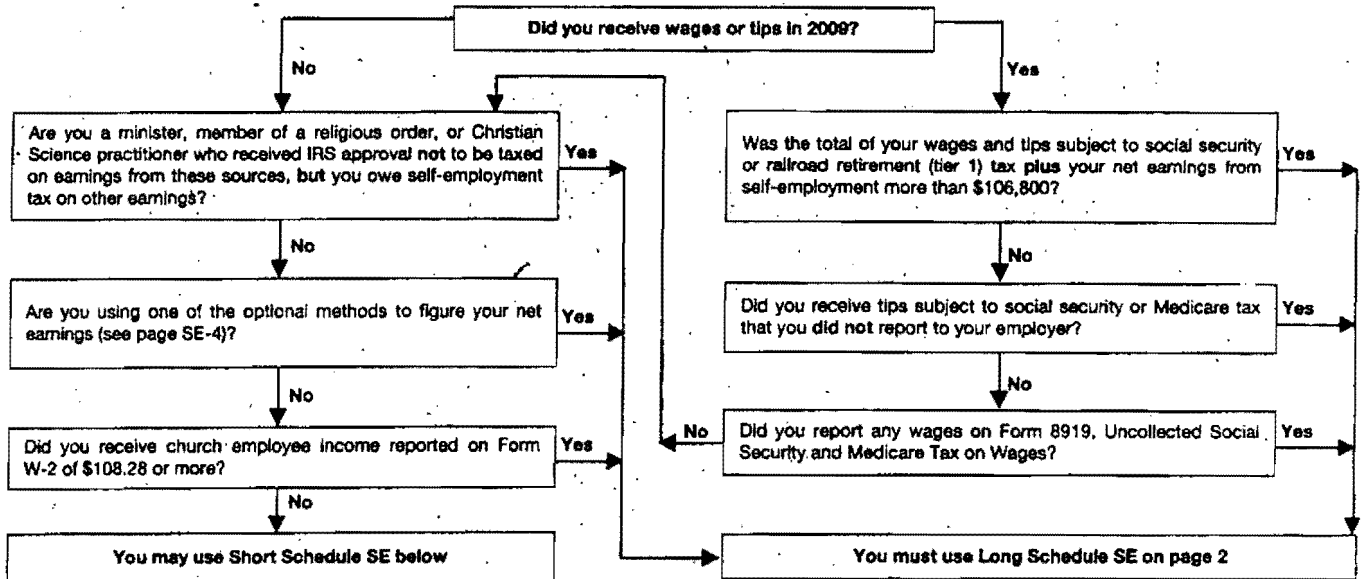
- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, or
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order is **not** church employee income (see page SE-1).

Note. Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see page SE-4).

Exception. If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361 and received IRS approval not to be taxed on those earnings, **do not** file Schedule SE. Instead, write "Exempt—Form 4361" on Form 1040, line 56.

May I Use Short Schedule SE or Must I Use Long Schedule SE?

Note. Use this flowchart only if you must file Schedule SE. If unsure, see *Who Must File Schedule SE*, above.



Section A—Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.

1a	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A		
1b	If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 6b, or listed on Schedule K-1 (Form 1065), box 20, code Y		
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see page SE-1 for types of income to report on this line. See page SE-3 for other income to report	33000 (9915) (17084)	GP K1 K1
3	Combine lines 1a, 1b, and 2	6101	
4	Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax ▶	5634	
5	Self-employment tax. If the amount on line 4 is: • \$106,800 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 56. • More than \$106,800, multiply line 4 by 2.9% (.029). Then, add \$13,243.20 to the result. Enter the total here and on Form 1040, line 56.	862	
6	Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.50). Enter the result here and on Form 1040, line 27	431	

**Application for Automatic Extension of Time
To File U.S. Individual Income Tax Return**

2009

Department of the Treasury
Internal Revenue Service

There are three ways to request an automatic extension of time to file a U.S. individual income tax return.

1. You can file Form 4868 electronically by accessing IRS e-file using your home computer or by using a tax professional who uses e-file.
2. You can pay all or part of your estimate of income tax due using a credit or debit card.
3. You can file a paper Form 4868.

The first two options are discussed under IRS e-file, next. Filing a paper Form 4868 is discussed later on this page.



**It's Convenient,
Safe, and Secure**

IRS e-file is the IRS's electronic filing program. You can get an automatic extension of time to file your tax return by filing Form 4868 electronically. You will receive an electronic acknowledgment once you complete the transaction. Keep it with your records. Do not send in Form 4868 if you file electronically, unless you are making a payment with a check or money order. (See page 4.)

Complete Form 4868 to use as a worksheet. If you think you may owe tax when you file your return, you will need to estimate your total tax liability and subtract how much you have already paid (lines 4, 5, and 6 below).

You can apply for an extension by e-filing Form 4868 from a home computer or through a tax professional who uses e-file. Several companies offer free e-filing of Form 4868 through the Free File program. For more details, go to www.irs.gov and enter "Free File" in the search box at the top of the page.

You can also apply for an extension by paying part or all of your estimate of income tax due by using a credit or debit card. See *Pay by Credit or Debit Card* later on this page.



**E-file Using Your Personal Computer
or Through a Tax Professional**

Refer to your tax software package or tax preparer for ways to file electronically. Be sure to have a copy of your 2008 tax return—you will be asked to provide information from the return for taxpayer verification. If you wish to make a payment, you can pay by electronic funds withdrawal or send your check or money order to the address shown in the middle column under *Where To File a Paper Form 4868*. See page 4.



Pay by Credit or Debit Card

You can get an extension if you pay part or all of your estimate of income tax due by using a credit or debit card. Your payment must be at least \$1. You can pay by phone or over the Internet. See page 4.



File a Paper Form 4868

If you wish to file on paper instead of electronically, fill in the Form 4868 below and mail it to the address shown on page 4.

For information on using a private delivery service, see page 4.

Note. If you are a fiscal year taxpayer, you must file a paper Form 4868.

▼ DETACH HERE ▼

**Application for Automatic Extension of Time
To File U.S. Individual Income Tax Return**

2009

Department of the Treasury
Internal Revenue Service

For calendar year 2009, or other tax year beginning _____, 2009, ending _____, 20

Part I Identification			Part II Individual Income Tax	
1 Your name(s) (see instructions) REGGIE & JACQUE RAGSDALE			4 Estimate of total tax liability for 2009	\$ _____
Address (see instructions) [REDACTED]			5 Total 2009 payments	_____
City, town, or post office [REDACTED]			6 Balance due. Subtract line 5 from line 4 (see instructions)	0
State [REDACTED]			7 Amount you are paying (see instructions)	▶ _____
ZIP Code [REDACTED]			8 Check here if you are "out of the country" and a U.S. citizen or resident (see instructions)	<input type="checkbox"/>
2 Your social security number [REDACTED]	3 Spouse's social security number [REDACTED]		9 Check here if you file Form 1040NR or 1040NR-EZ and did not receive wages as an employee subject to U.S. income tax withholding	<input type="checkbox"/>

SCHEDULE M
(Form 1040A or 1040)

Making Work Pay and Government Retiree Credits

OMB No. 1545-0074

2009

Attachment
Sequence No. **166**

Department of the Treasury
Internal Revenue Service (5)

▶ Attach to Form 1040A, 1040, or 1040NR.

▶ See separate instructions.

Name(s) shown on return

REGGIE L. AND JACQUE L. RAGSDALE

Your social security number

1a Important: See the instructions if you can be claimed as someone else's dependent or are filing Form 1040NR. Check the "No" box below and see the instructions if (a) you have a net loss from a business, (b) you received a taxable scholarship or fellowship grant not reported on a Form W-2, (c) your wages include pay for work performed while an inmate in a penal institution, (d) you received a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan, or (e) you are filing Form 2555 or 2555-EZ.

Do you (and your spouse if filing jointly) have 2009 wages of more than \$6,451 (\$12,903 if married filing jointly)?

Yes. Skip lines 1a through 3. Enter \$400 (\$800 if married filing jointly) on line 4 and go to line 5.

No. Enter your earned income (see instructions)

1a	6401
2	397
3	800

b Nontaxable combat pay included on line 1a (see instructions).

1b	397
-----------	-----

2 Multiply line 1a by 6.2% (.062)

3 Enter \$400 (\$800 if married filing jointly)

4 Enter the smaller of line 2 or line 3 (unless you checked "Yes" on line 1a)

5 Enter the amount from Form 1040, line 38*, or Form 1040A, line 22

6 Enter \$75,000 (\$150,000 if married filing jointly)

7 Is the amount on line 5 more than the amount on line 6?

No. Skip line 8. Enter the amount from line 4 on line 9 below.

Yes. Subtract line 6 from line 5

8 Multiply line 7 by 2% (.02)

9 Subtract line 8 from line 4. If zero or less, enter -0-

10 Did you (or your spouse, if filing jointly) receive an economic recovery payment in 2009? You may have received this payment if you received social security benefits, supplemental security income, railroad retirement benefits, or veterans disability compensation or pension benefits (see instructions).

No. Enter -0- on line 10 and go to line 11.

Yes. Enter the total of the payments received by you (and your spouse, if filing jointly). Do not enter more than \$250 (\$500 if married filing jointly)

11 Did you (or your spouse, if filing jointly) receive a pension or annuity in 2009 for services performed as an employee of the U.S. Government or any U.S. state or local government from work not covered by social security? Do not include any pension or annuity reported on Form W-2.

No. Enter -0- on line 11 and go to line 12.

Yes. • If you checked "No" on line 10, enter \$250 (\$500 if married filing jointly and the answer on line 11 is "Yes" for both spouses)
• If you checked "Yes" on line 10, enter -0- (exception: enter \$250 if filing jointly and the spouse who received the pension or annuity did not receive an economic recovery payment described on line 10)

12 Add lines 10 and 11

13 Subtract line 12 from line 9. If zero or less, enter -0-

14 **Making work pay and government retiree credits.** Add lines 11 and 13. Enter the result here and on Form 1040, line 63; Form 1040A, line 40; or Form 1040NR, line 60

1a	6401	
2	397	
3	800	
4	397	
5		
6		
7		
8		
9	397	
10		
11		
12		
13	397	
14	397	

*If you are filing Form 2555, 2555-EZ, or 4563 or you are excluding income from Puerto Rico, see instructions.

CHARITY

MURRIETTA SPRINGS SDA....	16042
ALL BALLS CHARITY.....	125
AMERICAN CANCER SOCIETY..	20
EISENHOWER MEDICAL CTR..	25
HAITI ENDOWMNT FUND	500
MSCA.....	220
AMISTD.....	500
OTHERS.....	415

CONTRIBUTIONS..... 17847

MEDICAL:

BLUE CROSS ANTHEM.....	3700
BLUE CROSS SE.....	-3700
MEDICAL MEDICINE..	172
DR PAMELA ALVERAS	66
MAMAGRAM,.....	298
CLINTON KEITH MEDICAL.....	453
NORTH COAST IMAGING..	291
DOCTORS OFFICE VISITS	5112
TRAVEL.....	239

MEDICAL: 6631

California Resident Income Tax Return 2009

540 C1 Side 1

Fiscal year filers only: Enter month of year end: month _____ year 2010.

Your first name REGGIE	Initial L	Last name RAGSDALE	Your SSN or ITIN [REDACTED]
If joint return, spouse's/RDP's first name JACQUE	Initial L	Last name RAGSDALE	Spouse's/RDP's SSN or ITIN [REDACTED]
Address (number and street, PO Box, or PMB no.) [REDACTED]			Apt. no./Ste. no. / PBA Code
City (If you have a foreign address, see page 7) [REDACTED]			State / ZIP Code
Prior Name If you filed your 2008 tax return under a different last name, write the last name only from the 2008 tax return. <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse/RDP			

Filing Status

1 Single

2 Married/RDP filing jointly. (see page 4)

3 Married/RDP filing separately. Enter spouse's/RDP's SSN or ITIN above and full name here _____

4 Head of household (with qualifying person). (see page 4)

5 Qualifying widow(er) with dependent child. Enter year spouse/RDP died _____

If your California filing status is different from your federal filing status, fill in the circle here

6 If someone can claim you (or your spouse/RDP) as a dependent, fill in the circle here (see page 7) 6

Exemptions

► For line 7, line 8, line 9, and line 10: Multiply the amount you enter in the box by the pre-printed dollar amount for that line. **Whole dollars only**

7 **Personal:** If you filled in 1, 3, or 4 above, enter 1 in the box. If you filled in 2 or 5, enter 2, in the box. If you filled in the circle on line 6, see page 7. **7** 2 X \$98 = \$ 196

8 **Blind:** If you (or your spouse/RDP) are visually impaired, enter 1; if both are visually impaired, enter 2. **8** X \$98 = \$ _____

9 **Senior:** If you (or your spouse/RDP) are 65 or older, enter 1; if both are 65 or older, enter 2. **9** X \$98 = \$ _____

10 **Dependents:** Enter name and relationship. Do not include yourself or your spouse/RDP.
CASSANDRA-DAUGHTER, Dependent exemptions **10** 1 X \$98 = \$ 98

11 **Exemption amount:** Add line 7 through line 10. Transfer this amount to line 32. **11** \$ 294

Taxable Income

12 State wages from your Form(s) W-2, box 16. **12** 200 00

13 Enter federal adjusted gross income from Form 1040, line 37; 1040A, line 21; or 1040EZ, line 4. **13** 88641 00

14 California adjustments - subtractions. Enter the amount from Schedule CA (540), line 37, column B. **14** 00

15 Subtract line 14 from line 13. If less than zero, enter the result in parentheses (see page 9). **15** 88641 00

16 California adjustments - additions. Enter the amount from Schedule CA (540), line 37, column C. **16** 00

17 California adjusted gross income. Combine line 15 and line 16. **17** 88641 00

18 Enter the larger of:
 Your California itemized deductions from Schedule CA (540), line 44; OR
 Your California standard deduction shown below for your filing status:
 • Single or Married/RDP filing separately. \$3,637
 • Married/RDP filing jointly, Head of household, or Qualifying widow(er) \$7,274
 If the circle on line 6 is filled in, STOP. (see page 9) **18** 59488 00

19 Subtract line 18 from line 17. This is your taxable income. If less than zero, enter -0-. **19** 29153 00

Tax

31 Tax. Fill in the circle if from: Tax Table Tax Rate Schedule FTB 3800 FTB 3803. **31** 515 00

32 Exemption credits. Enter the amount from line 11. If your federal AGI is more than \$160,739, see page 10. **32** 294 00

33 Subtract line 32 from line 31. If less than zero, enter -0-. **33** 221 00

34 Tax (see page 11). Fill in the circle if from: Schedule G-1 FTB 5870A. **34** 00

35 Add line 33 and line 34. **35** 221 00

Your name: REGGIE RAGSDALE Your SSN or ITIN: [REDACTED]

40 Enter the amount from Side 1, line 35 40 221 | 00

Special Credits

41 New jobs credit, amount generated (see page 11) ● 41 | 00

42 New jobs credit, amount claimed (see page 11) ● 42 | 00

43 Enter credit name _____ code no _____ and amount ▶ 43 | 00

44 Enter credit name _____ code no _____ and amount ▶ 44 | 00

45 To claim more than two credits (see page 11) ● 45 | 00

46 Nonrefundable renter's credit (see page 12) ● 46 | 00

47 Add line 42 through line 46. These are your total credits 47 | 00

48 Subtract line 47 from line 40. If less than zero, enter -0- 48 221 | 00

Other Taxes

61 Alternative minimum tax. Attach Schedule P (540) ● 61 | 00

62 Mental Health Services Tax (see page 12) ● 62 | 00

63 Other taxes and credit recapture (see page 13) ● 63 | 00

64 Add line 48, line 61, line 62, and line 63. This is your total tax. ● 64 221 | 00

71 California income tax withheld (see page 13) ● 71 | 00

72 2009 CA estimated tax and other payments (see page 13) ● 72 46 | 00

73 Real estate and other withholding (see page 13) ● 73 | 00

74 Excess SDI (or VPD) withheld (see page 13) ● 74 | 00

Child and Dependent Care Expenses Credit (see page 13). Attach form FTB 3506.

Payments

75 Qualifying person's social security number ● 75 |

76 Qualifying person's social security number ● 76 |

77 Enter the amount from form FTB 3506, Part III, line 8 ● 77 | 00

78 Child and Dependent Care Expenses Credit from form FTB 3506, Part III, line 12 ● 78 | 00

79 Add line 71, line 72, line 73, line 74, and line 78. These are your total payments (see page 14) 79 46 | 00

Overpaid Tax Due

91 Overpaid tax. If line 79 is more than line 64, subtract line 64 from line 79 91 | 00

92 Amount of line 91 you want applied to your 2010 estimated tax ● 92 | 00

93 Overpaid tax available this year. Subtract line 92 from line 91 ● 93 | 00

94 Tax due. If line 79 is less than line 64, subtract line 79 from line 64 94 175 | 00

Use Tax

95 Use Tax. This is not a total line (see page 14) ● 95 | 00

Your name: REGGIE RAGSDALE Your SSN or ITIN: [REDACTED]

	Code	Amount
California Seniors Special Fund (see page 22)	● 400	00
Alzheimer's Disease/Related Disorders Fund	● 401	00
California Fund for Senior Citizens	● 402	00
Rare and Endangered Species Preservation Program	● 403	00
State Children's Trust Fund for the Prevention of Child Abuse	● 404	00
California Breast Cancer Research Fund	● 405	00
California Firefighters' Memorial Fund	● 406	00
Emergency Food for Families Fund	● 407	00
California Peace Officer Memorial Foundation Fund	● 408	00
California Military Family Relief Fund	● 409	00
California Sea Otter Fund	● 410	00
California Ovarian Cancer Research Fund	● 411	00
Municipal Shelter Spay-Neuter Fund	● 412	00
California Cancer Research Fund	● 413	00
ALS/Lou Gehrig's Disease Research Fund	● 414	00
110 Add code 400 through code 414. This is your total contribution	● 110	00

111 AMOUNT YOU OWE. Add line 94, line 95, and line 110 (see page 15). Do not send cash. 175 00
 Mail to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001** ● 111
 Pay online - Go to ftb.ca.gov and search for web pay.

112 Interest, late return penalties, and late payment penalties 112 00
113 Underpayment of estimated tax. Fill in circle: FTB 5805 attached FTB 5805F attached ● 113 00
114 Total amount due (see page 16). Enclose, but do not staple, any payment 114 00

115 REFUND OR NO AMOUNT DUE. Subtract line 95 and line 110 from line 93 (see page 16).
 Mail to: **FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0002** ● 115 00

Fill in the information to authorize direct deposit of your refund into one or two accounts. Do not attach a voided check or a deposit slip (see page 16).
Have you verified the routing and account numbers? Use whole dollars only.
 All or the following amount of my refund (line 115) is authorized for direct deposit into the account shown below:

Checking
 Savings

● Routing number ● Type ● Account number ● 116 Direct deposit amount

The remaining amount of my refund (line 115) is authorized for direct deposit into the account shown below:

Checking
 Savings

● Routing number ● Type ● Account number ● 117 Direct deposit amount

IMPORTANT: See the instructions to find out if you should attach a copy of your complete federal return.
 Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Sign Here

It is unlawful to forge a spouse's/RDP's signature.

Joint return? (see page 17)

Your signature: X Spouse's/RDP's signature (if a joint return, both must sign): X Daytime phone number (optional): ([REDACTED]) [REDACTED]

Date: 091210

Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge): M.P.UMBERGER HI-DESERT DULCINEA

Firm's name (or yours, if self-employed): [REDACTED] Firm's address: [REDACTED]

Do you want to allow another person to discuss this return with us (see page 17)? Yes No

Print Third Party Designee's Name _____ Telephone Number _____

2009 California Adjustments - Residents

CA (540)

Important: Attach this schedule behind Form 540, Side 3 as a supporting California schedule.

Name(s) as shown on return

REGGIE L. AND JACQUE L. RAGSDALE

SSN or ITIN

Part I Income Adjustment Schedule

Section A - Income

Table with 3 columns: A Federal Amounts (taxable amounts from your federal return), B Subtractions (See instructions), C Additions (See instructions). Rows include Wages, salaries, tips, etc. (7), Taxable interest (8), Ordinary dividends (9(a)), Taxable refunds, credits, offsets of state and local income taxes (10), Alimony received (11), Business income or (loss) (12), Capital gain or (loss) (13), Other gains or (losses) (14), IRA distributions (15(b)), Pensions and annuities (16(b)), Rental real estate, royalties, partnerships, S corporations, trusts, etc. (17), Farm income or (loss) (18), Unemployment compensation in excess of \$2,400 per recipient (19), Social security benefits (a) (20(b)), Other income (21) with sub-rows a-f, and Total (22).

Section B - Adjustments to Income

Table with 3 columns: A Federal Amounts (taxable amounts from your federal return), B Subtractions (See instructions), C Additions (See instructions). Rows include Educator expenses (23), Certain business expenses of reservists, performing artists, and fee-basis government officials (24), Health savings account deduction (25), Moving expenses (26), One-half of self-employment tax (27), Self-employed SEP, SIMPLE, and qualified plans (28), Self-employed health insurance deduction (29), Penalty on early withdrawal of savings (30), Alimony paid (b) Recipient's: SSN (31a), IRA deduction (32), Student loan interest deduction (33), Tuition and fees deduction (34), Domestic production activities deduction (35), Add line 23 through line 31a and line 32 through line 35 in columns A, B, and C. See instructions (36), and Total. Subtract line 36 from line 22 in columns A, B, and C. See instructions (37).

Part II Adjustments to Federal Itemized Deductions

38	Federal itemized deductions. Add the amounts on federal Schedule A (Form 1040), lines 4, 9, 15, 19, 20, 27, and 28	38	60623
39	Enter total of federal Schedule A (Form 1040), line 5 (State Disability Insurance, and state and local income tax, or General Sales Tax), line 7 (new motor vehicle tax), and line 8 (foreign income taxes only). See instructions	39	1135
40	Subtract line 39 from line 38	40	59488
41	Other adjustments including California lottery losses. See instructions. Specify	41	0
42	Combine line 40 and line 41	42	59488
43	Is your federal AGI (Form 540, line 13) more than the amount shown below for your filing status?		
	Single or married/RDP filing separately		\$160,739
	Head of household		\$241,113
	Married/RDP filing jointly or qualifying widow(er)		\$321,483
	No. Transfer the amount on line 42 to line 43		
	Yes. Complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540), line 43	43	59488
44	Enter the larger of the amount on line 43 or your standard deduction listed below		
	Single or married/RDP filing separately		\$3,637
	Married/RDP filing jointly, head of household, or qualifying widow(er)		\$7,274
	Transfer the amount on line 44 to Form 540, line 18	44	59488

OMB No. 1545-0074

COPY

Label (See instructions on page 12.) Use the IRS label. Otherwise, please print or type.

For the year Jan. 1–Dec. 31, 2007, or other tax year beginning 2007, ending 20

REGGIE L. RAGSDALE
 If a joint return, spouse's first name and initial: JACQUE L. RAGSDALE
 Home address (number and street), if you have a P.O. box, see page 12. Apt. no. #A
 City, town or post office, state, and ZIP code, if you have a foreign address, see page 12.

Your social security number: [REDACTED]
 Spouse's social security number: [REDACTED]

You must enter your SSN(s) above.

Presidential Election Campaign: Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 12): You Spouse

Filing Status: Married filing jointly (even if only one had income) Head of household (with qualifying person) (See page 13) if the qualifying person is a child but not your dependent, enter this child's name here. Married filing separately. Enter spouse's SSN above and full name here. Qualifying widow(er) with dependent child (see page 14)

Exemptions

1 Yourself. If someone can claim you as a dependent, do not check box 6a.
 2 Spouse

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) If a qualifying child for child tax credit (see page 13): <input type="checkbox"/> lived with you <input type="checkbox"/> did not live with you due to divorce or separation (see page 14)	(5) Add numbers on lines above
JAMIE	RAGSDALE	[REDACTED]	DAUGHTER	<input type="checkbox"/>	2
CASSANDRA	RAGSDALE	[REDACTED]	DAUGHTER	<input type="checkbox"/>	3
WHITNEY	RAGSDALE	[REDACTED]	DAUGHTER	<input type="checkbox"/>	5

Income

Line	Description	Amount
7	Wages, salaries, tips, etc. Attach Form(s) W-2	37114
8a	Taxable interest. Attach Schedule B if required	
8b	Tax-exempt interest. Do not include on line 8a	
9a	Ordinary dividends. Attach Schedule B if required	
9b	Qualified dividends (see page 10)	
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 20)	
11	Alimony received	
12	Business income or (loss). Attach Schedule C or C-EZ	
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	6916
14	Other gains or (losses). Attach Form 4797	
15a	IRA distributions	
15b	Taxable amount (see page 21)	
16a	Pensions and annuities	
16b	Taxable amount (see page 22)	30350
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	
18	Farm income or (loss). Attach Schedule F	
19	Unemployment compensation	
20a	Social security benefits	
20b	Taxable amount (see page 24)	
21	Other income. List type and amount (see page 24)	
22	Add the amounts in the far right column for lines 7 through 21. This is your total income	74380

Adjusted Gross Income

Line	Description	Amount
23	Educator expenses (see page 26)	
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	
25	Health savings account deduction. Attach Form 8889	
26	Moving expenses. Attach Form 3903	
27	One-half of self-employment tax. Attach Schedule SE	1100
28	Self-employed SEP, SIMPLE, and qualified plans	
29	Self-employed health insurance deduction (see page 26)	4434
30	Penalty on early withdrawal of savings	
31a	Alimony paid <input type="checkbox"/> Recipient's SSN <input type="checkbox"/>	
32	IRA deduction (see page 27)	
33	Student loan interest deduction (see page 30)	
34	Tuition and fees deduction. Attach Form 8817	
35	Domestic production activities deduction. Attach Form 8803	
36	Add lines 23 through 31a and 32 through 35	5534
37	Subtract line 36 from line 22. This is your adjusted gross income	68845

Form 1040 (2007)

38 Amount from line 37 (adjusted gross income) 68845

39a Check You were born before January 2, 1943 Blind Total bases 24930
 39b Spouse was born before January 2, 1943 Blind Spouse 40 24930

40 Standard Deduction form— 41 43915
 41 Married deductions (from Schedule A) or your standard deduction (see left margin) 42 17000
 42 Subtract line 40 from line 38 43 26915
 43 If line 38 is \$117,300 or less, multiply \$3,400 by the total number of exemptions claimed on line 42. If line 38 is over \$117,300, see the worksheet on page 33 44 2563
 44 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- 45 2563
 45 Tax (see page 33). Check if any tax is from: a Form(s) 9814 b Form 4972 c Form(s) 9689 46 2563
 46 Alternative minimum tax (see page 36). Attach Form 6251 47
 47 Add lines 44 and 45 48
 48 Single or Married filing separately, \$5,350 49 3300
 49 Education credits. Attach Form 8863 50
 50 Residential energy credit. Attach Form 8885 51
 51 Foreign tax credit. Attach Form 8878 if required 52
 52 Child tax credit (see page 39). Attach Form 8901 if required 53
 53 Retirement savings contributions credit. Attach Form 8880 54
 54 Credits from: a Form 8326 b Form 8659 c Form 8639 55
 55 Other credits: a Form 8800 b Form 8801 c Form 8802 56 2563
 56 Add lines 47 through 55. These are your total credits 57 0
 57 Subtract line 56 from line 46. If line 56 is more than line 46, enter -0- 58 2201
 58 Self-employment tax. Attach Schedule SE 59
 59 Unreported social security and Medicare tax from: a Form 4197 b Form 8919 60
 60 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required 61
 61 Advance earned income credit payments from Form(s) W-2, box 9 62
 62 Household employment taxes. Attach Schedule H 63
 63 Add lines 57 through 62. This is your total tax 64 2201

Payments

Line	Description	Amount
64	Federal income tax withheld from Forms W-2 and 1099	
65	2007 estimated tax payments and amount applied from 2006 return	9080
66a	Earned income credit (EIC)	
66b	Nonrefundable combat pay election (see page 66)	
67	Excess social security and tier 1 RRTA tax withheld (see page 68)	
68	Additional child tax credit. Attach Form 8812	
69	Amount paid with request for extension to file (see page 59)	
70	Payments from: a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136 c <input type="checkbox"/> Form 8805	
71	Refundable credit for prior year premium tax from Form 8801, line 27	
72	Add lines 64, 65, 66a, and 67 through 71. These are your total payments	9080

Refund

73 If line 72 is more than line 63; subtract line 63 from line 72. This is the amount you overpaid 73 6879

74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here 74a 0
 74b Routing number: Type: Checking Savings
 74c Account number:

75 Amount of line 73 you want applied to your 2006 estimated tax 75 6879

Amount You Owe 76 Amount you owe. Subtract line 72 from line 63. For details on how to pay, see page 60 76 0
 77 Estimated tax penalty (see page 61) 77 0

Third Party Designee

Designee's name: [REDACTED] Phone no.: [REDACTED] Personal identification number (PIN): [REDACTED]

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature	Date	Your occupation	Daytime phone number
[Signature]	042208	OPTOMETRY	
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	
[Signature]	042208	RETAIL ADMINISTRATOR	

Paid Preparer's Use Only

Preparer's signature: N. P. UMBERGER
 Firm's name (or your self-employed address, and ZIP code): HI-DESERT DULCINEA
 Date: 042208
 Check if self-employed
 Preparer's SSN or PTIN: [REDACTED]
 Phone no.: [REDACTED]

Tax and Credits

38 Amount from line 37 (adjusted gross income) **38 68845**

39a Check You were born before January 2, 1943. Blind. Total boxes checked **39a 308**

39b Spouse was born before January 2, 1943. Blind. Total boxes checked **39b 308**

40 Standard Deduction for—

41 If your spouse files on a separate return or if you were a dual-status alien, see page 31 and check here **41 24930**

40 Named deductions from Schedule A or your standard deduction (see left margin)

41 Subtract line 40 from line 38 **41 43915**

42 If line 38 is \$117,300 or less, multiply \$3,400 by the total number of exemptions claimed on line 6d. If line 38 is over \$117,300, see the worksheet on page 33 **42 17000**

43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- **43 26915**

44 Tax (see page 33). Check if any tax is from: a Form(s) 8814 b Form 4972 c Form(s) 8809 **44 2563**

45 Alternative minimum tax (see page 38). Attach Form 6251 **45 2563**

46 Add lines 44 and 45 **46 2563**

47 Credit for child and dependent care expenses. Attach Form 2441 **47**

48 Credit for the elderly or the disabled. Attach Schedule R **48**

49 Education credits. Attach Form(s) 8863 **49 3300**

50 Residential energy credits. Attach Form 5695 **50**

51 Foreign tax credit. Attach Form 1116 if required **51**

52 Child tax credit (see page 39). Attach Form 8801 if required **52**

53 Retirement savings contributions credit. Attach Form 8880 **53**

54 Credits from: a Form 8339 b Form 8859 c Form 8839 **54**

55 Other credits: a Form 8800 b Form 8001 c Form **55**

56 Add lines 47 through 55. These are your total credits **56 2563**

57 Subtract line 56 from line 46. If line 56 is more than line 46, enter -0- **57 0**

Other Taxes

58 Self-employment tax. Attach Schedule SE **58 2201**

59 Unreported social security and Medicare tax from: a Form 4137 b Form 8919 **59**

60 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required **60**

61 Advance earned income credit payments from Form(s) W-2, box 9 **61**

62 Household employment taxes. Attach Schedule H **62**

63 Add lines 57 through 62. This is your total tax **63 2201**

Payments

64 Federal income tax withheld from Forms W-2 and 1099 **64**

65 2007 estimated tax payments and amount applied from 2006 return **65 9080**

66a Earned income credit (EIC) **66a**

66b Nonrefundable combat pay election **66b**

67 Excess social security and tier 1 RRTA tax withheld (see page 59) **67**

68 Additional child tax credit. Attach Form 8812 **68**

69 Amount paid with request for extension to file (see page 49) **69**

70 Payments from: a Form 2280 b Form 4136 c Form 8855 **70**

71 Refundable credit for prior year minimum tax from Form 8801, line 27 **71**

72 Add lines 64, 65, 66a, and 67 through 71. These are your total payments **72 9080**

Refund

73 If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you overpaid **73 6879**

74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here **74a 0**

74b Routing number **74b**

74c Account number **74c**

74d Type: Checking Savings **74d**

75 Amount of line 73 you want applied to your 2008 estimated tax **75 6879**

76 Amount you owe. Subtract line 72 from line 63. For details on how to pay, see page 60 **76**

77 Estimated tax penalty (see page 61) **77 0**

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 61)? Yes. Complete the following. No

Designee's name **00** Personal identification number (PIN)

Sign Here

Under penalties of perjury, I declare that I prepared this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See page 13. Keep a copy for your records.

Your signature **W.P. UMBERGER** Date **042208** Your occupation **OPTOMETRY**

Spouse's signature. If a joint return, both must sign. **042208** Spouse's occupation **RETAIL ADMINISTRATOR**

Paid Preparer's Use Only

Preparer's signature **W.P. UMBERGER** Date **042208** Check if self-employed Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code **HI-DESERT DOLCINEA** EIN Phone no.

Your name: **REGGIE L. RAGSDALE** Your SSN or ITIN: [REDACTED]

35	Total tax from line 34, Side 1	35	0	00
36	California income tax withheld (see page 15)	● 36	00	
37	2007 CA estimated tax and other payments (see page 15)	● 37	00	
38	Real estate and other withholding, Forms 592-B, 593-B, and 594 (see page 15)	● 38	00	
39	Excess SDI. To see if you qualify (see page 15)	● 39	00	
Child and Dependent Care Expenses Credit (see page 16). Attach form FTB 3506.				
● 40		● 41		
● 42		● 43	00	
44	Add line 36, line 37, line 38, line 39, and line 43. These are your total payments (see page 16)	44	0	00
45	Overpaid tax. If line 44 is more than line 35, subtract line 35 from line 44	45	00	
46	Amount of line 45 you want applied to your 2006 estimated tax	● 46	00	
47	Overpaid tax available this year. Subtract line 46 from line 45	● 47	00	
48	Tax due. If line 44 is less than line 35, subtract line 44 from line 35	48	0	00

49 Use Tax. This is not a total line (see page 16) ● 49 0 00

Contributions

CA Seniors Special Fund (see page 60)	● 50	00	CA Firefighters' Memorial Fund	● 56	00
Alzheimer's Disease/Related Disorders Fund	● 51	00	Emergency Food Assistance Program Fund	● 57	00
CA Fund for Senior Citizens	● 52	00	CA Peace Officer Memorial Foundation Fund	● 58	00
Rare and Endangered Species Preservation Program	● 53	00	CA Military Family Relief Fund	● 59	00
State Children's Trust Fund for the Prevention of Child Abuse	● 54	00	CA Sea Otter Fund	● 60	00
CA Breast Cancer Research Fund	● 55	00			

61 Add line 50 through line 60. These are your total contributions. ● 61 0 00

62 AMOUNT YOU OWE. Add line 48, line 49, and line 61 (see page 17). Do not send cash. Mail to: FRANCHISE TAX BOARD, PO BOX 942397, SACRAMENTO CA 94237-0001. Pay online - Go to our Website at www.ftb.ca.gov and search for Web Pay. ● 62 0 00

63	Interest, late return penalties, and late payment penalties	63	00	
64	Underpayment of estimated tax. Fill in circle: <input type="radio"/> FTB 5895 attached <input type="radio"/> FTB 5805F attached	● 64	00	
65	Total amount due (see page 18). Enclose, but do not staple, any payment	65	00	

66 REFUND OR NO AMOUNT DUE. Subtract line 49 and line 61 from line 47 (see page 19). Mail to: FRANCHISE TAX BOARD, PO BOX 942640, SACRAMENTO CA 94260-0002 ● 66 0 00

Fill in the information to authorize direct deposit of your refund into one or two accounts. Do not attach a voided check or a deposit slip (see page 19). Have you verified the routing and account numbers? Use whole dollars only.

All or the following amount of my refund (line 66) is authorized for direct deposit into the account shown below: Checking Savings ● 67 Direct deposit amount

The remaining amount of my refund (line 66) is authorized for direct deposit into the account shown below: Checking Savings ● 68 Direct deposit amount

Sign Here

IMPORTANT: See the instructions to find out if you should attach a copy of your complete federal return. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Your signature: [Signature] Spouse's/RDP's signature (if a joint return, both must sign) [Signature] Daytime phone number (optional) [REDACTED]

It is unlawful to forge a spouse's/RDP's signature. X Paid preparer's signature (disclosure of preparer is based on all information of which preparer has any knowledge) ● 042208-0000

Joint return? (see page 19) M. P. UMBERGER Firm's name (or yours, if self-employed) Firm's address [REDACTED] FEIN [REDACTED]

TAXABLE YEAR

SCHEDULE

2007 California Adjustments - Residents

CA (540)

Important: Attach this schedule directly behind Form 540, Side 2.

Name(s) as shown on return

REGGIE L. AND JACQUE L. RAGSDALE

SSN or TIN

Part I Income Adjustment Schedules

Table with columns A (Federal Amounts), B (State Adjustments), and C (Additions). Rows include wages, interest, dividends, refunds, alimony, business income, capital gains, IRA distributions, pensions, rental real estate, farm income, unemployment compensation, social security benefits, and other income.

Section II - Adjustments to Income. Rows include educator expense, business expenses, health savings account deduction, moving expenses, self-employment tax, SEP/SIMPLE/qualified plans, health insurance deduction, penalty on early withdrawal, alimony paid, IRA deduction, student loan interest, tuition and fees, and domestic production activities deduction.

SCHEDULE SE
(Form 1040)

Self-Employment Tax

OMB No. 1545-0074

2007

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040. ▶ See instructions for Schedule SE (Form 1040).

Attachment
Sequence No. 17

Name of person with self-employment income (as shown on Form 1040)

REGGIE L. RAGSDALE

Social security number of person
with self-employment income ▶

Who Must File Schedule SE

You must file Schedule SE if:

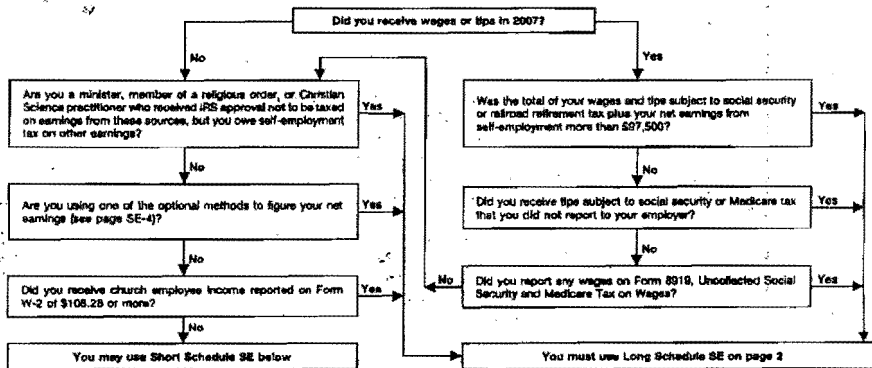
- You had net earnings from self-employment from other than church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, or
- You had church employee income of \$108.28 or more, income from services you performed as a minister or a member of a religious order is not church employee income (see page SE-1).

Note. Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see page SE-4).

Exception. If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361 and received IRS approval not to be taxed on those earnings, do not file Schedule SE. Instead, write "Exempt-Form 4361" on Form 1040, line 58.

May I Use Short Schedule SE or Must I Use Long Schedule SE?

Note. Use this flowchart only if you must file Schedule SE. If unsure, see Who Must File Schedule SE, above.



Section A—Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.

1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A		
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-3 for other income to report	21000 (5426)	GP K1
3	Combine lines 1 and 2	15574	
4	Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax	14383	
5	Self-employment tax. If the amount on line 4 is: • \$97,500 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 58. • More than \$97,500, multiply line 4 by 2.9% (.029). Then, add \$12,090 to the result. Enter the total here and on Form 1040, line 58	2201	
6	Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 27	1100	

SCHEDULE E
(Form 1040)

Supplemental Income and Loss
(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

2007

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ See instructions for Schedule E (Form 1040).

Attachment
Sequence No. 13

Name(s) shown on return

REGGIE L. AND JACQUE L. RAGSDALE

Your social security number

Part I **Income or Loss From Rental Real Estate and Royalties** Note: If you are in the business of renting personal property, use Schedule C or C-EZ (see page E-3). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1 List the type and location of each rental real estate property:	2 For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of:	Yes	No
A Oak Creek Properties LLC ftid#	• 14 days or • 10% of the total days rented at fair rental value? (See page E-3)		X
B			
C			

Income:	Properties			Totals
	A	B	C	(Add columns A, B, and C.)
3 Rents received	17897			17897
4 Royalties received				
Expenses:				
5 Advertising				
6 Auto and travel (see page E-4)				
7 Cleaning and maintenance				
8 Commissions				
9 Insurance				
10 Legal and other professional fees				
11 Management fees				
12 Mortgage interest paid to banks, etc. (see page E-4)				12
13 Other interest				
14 Repairs				
15 Supplies				
16 Taxes				
17 Utilities				
18 Other (list ▶)				
19 Add lines 5 through 18				19
20 Depreciation expense or depletion (see page E-5)				20
21 Total expenses. Add lines 19 and 20				21
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-5 to find out if you must file Form 9988	17897			17897
23 Deductible rental real estate loss. Caution: Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file Form 9982. Real estate professionals must complete line 43 on page 2				17897
24 Income. Add positive amounts shown on line 22. Do not include any losses				24
25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here.				25
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.				17897
				26

SCHEDULES A&B
(Form 1040)

Schedule A—Itemized Deductions

(Schedule B is on back)

OMB No. 1545-0074

2007

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040. ▶ See instructions for Schedules A&B (Form 1040).

Attachment
Sequence No. 07

Name(s) shown on Form 1040

REGGIE L. AND JACQUE L. RAGSDALE

Your social security number

Medical and Dental Expenses	1	Caution. Do not include expenses reimbursed or paid by others. Medical and dental expenses (see page A-1)	1	1516	0
	2	Enter amount from Form 1040, line 38 (2)	2	5163	
	3	Multiply line 2 by 7.5% (.075)	3		
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4		
Taxes You Paid (See page A-2.)	5	State and local (check only one box): a <input type="checkbox"/> Income taxes, or b <input checked="" type="checkbox"/> General sales taxes	5	946	1893
	6	Real estate taxes (see page A-5)	6		
	7	Personal property taxes	7	947	
	8	Other taxes. List type and amount ▶	8		
	9	Add lines 5 through 8	9		
Interest You Paid (See page A-6.)	10	Home mortgage interest and points reported to you on Form 1098	10		0
	11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-6 and show that person's name, identifying no., and address ▶	11		
	12	Points not reported to you on Form 1098. See page A-6 for special rules	12		
	13	Qualified mortgage insurance premiums (See page A-7)	13		
	14	Investment interest. Attach Form 4952 if required. (See page A-7.)	14		
15	Add lines 10 through 14	15			
Gifts to Charity If you made a gift and got a benefit for it, see page A-8.	16	Gifts by cash or check. If you made any gift of \$250 or more, see page A-8	16	22538	23037
	17	Other than by cash or check. If any gift of \$250 or more, see page A-8. You must attach Form 3283 if over \$500	17	495	
	18	Carryover from prior year	18		
	19	Add lines 16 through 18	19		
Casualty and Theft Losses	20	Casualty or theft loss(es). Attach Form 4684. (See page A-9.)	20		
Job Expenses and Certain Miscellaneous Deductions (See page A-9.)	21	Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-9.) ▶	21		0
	22	Tax preparation fees	22	500	
	23	Other expenses—investment, safe deposit box, etc. List type and amount ▶	23	677	
	24	PROFESSIONAL FEES	24	1177	
	25	Add lines 21 through 23	25	1377	
	26	Enter amount from Form 1040, line 38 (25)	26	1377	
	27	Multiply line 25 by 2% (.02)	27		
Other Miscellaneous Deductions	28	Other—from list on page A-10. List type and amount ▶	28		24930
	29	Is Form 1040, line 38, over \$156,400 (over \$78,200 if married filing separately)? <input type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40. <input type="checkbox"/> Yes. Your deduction may be limited. See page A-10 for the amount to enter.	29		
Total Itemized Deductions	30	If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>	30		

**SCHEDULE D
(Form 1040)**

Capital Gains and Losses

OMB No. 1545-0074

2007

Attachment
Sequence No. 12

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040 or Form 1040NR. ▶ See instructions for Schedule D (Form 1040).

▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

Name(s) shown on return

REGGIE L. AND JACQUE L. RAGSDALE

Your social security number

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-7 of the instructions)	(e) Cost or other basis (see page D-7 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
1					
2 Enter your short-term totals, if any, from Schedule D-1, line 2.			2		
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d).			3		
4 Short-term gain from Form 8252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				4	
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				5	
6 Short-term capital loss carryover. Enter the amount, if any, from line 10 of your Capital Loss Carryover Worksheet on page D-7 of the instructions				6	()
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f).				7	

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-7 of the instructions)	(e) Cost or other basis (see page D-7 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
8 SHARE OF DISTRIBUTORSHIP	083106	122907	30000	50000	(20000)
9 Enter your long-term totals, if any, from Schedule D-1, line 9.			9		
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d).			10	30000	
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 8252; and long-term gain or (loss) from Forms 4684, 8781, and 8824				11	
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				12	26916
13 Capital gain distributions. See page D-2 of the instructions				13	
14 Long-term capital loss carryover. Enter the amount, if any, from line 15 of your Capital Loss Carryover Worksheet on page D-7 of the instructions				14	()
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on the back.				15	6916

California Resident Income Tax Return 2007

540 C1 Side 1

Fiscal year files only. Enter month of year and month year 2006.

Header section containing filer information: REGGIE L. RAGSDALE, JACQUE L. RAGSDALE, address, and SSN/ITIN.

Marital status section: Single, Married/RDP filing jointly, or Married/RDP filing separately.

Dependent section: Information for JAMIE-DAUGHTER and CASSANDRA-DAUGHTER, including exemption amounts.

Income section: Lines 12-24 covering state wages, federal adjusted gross income, and tax table selection.

Credits and taxes section: Lines 25-34 covering credit name, alternative minimum tax, and other taxes.

3101071

Your name: REGGIE L. RAGSDALE Your SSN or ITIN: [REDACTED]

Payments section: Lines 35-49 detailing total tax, withholdings, and overpaid tax.

Contributions section: Lines 50-60 listing various charitable contributions.

Amounts due section: Lines 61-65 covering interest, underpayment, and total amount due.

Refund section: Lines 66-68 for refund or amount due, including direct deposit information.

Direct deposit section: Information for routing and account numbers for direct deposit.

Sign Here section: Signature lines for filer and preparer (M. P. UMBERGER), date, and firm address.

Side 2 Form 540 C1 2007

3102071

Part II Adjustments to Federal Itemized Deductions

38	Federal itemized deductions. Add the amounts on federal Schedule A (Form 1040), lines 4, 9, 13, 19, 20, 27, and 28	38	24930
39	Enter total of federal Schedule A (Form 1040), line 5 (State Disability Insurance, and state and local income tax, or General Sales Tax) and line 8 (foreign taxes only). See instructions	39	946
40	Subtract line 39 from line 38	40	23984
41	Other adjustments including California lottery losses. See instructions. Specify	41	0
42	Combine line 40 and line 41	42	23984
43	Is your federal AGI (Form 540, line 13) more than the amount shown below for your filing status? Single or married/RDP filing separately \$158,418 Head of household \$233,129 Married/RDP filing jointly or qualifying widow(er) \$310,637 No. Transfer the amount on line 42 to line 43 Yes. Complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540), line 43	43	23984
44	Enter the larger of the amount on line 43 or your standard deduction listed below Single or married/RDP filing separately \$3,518 Married/RDP filing jointly, head of household, or qualifying widow(er) \$7,032 Transfer the amount on line 44 to Form 540, line 16	44	23984

TAXABLE YEAR **2007** SCHEDULE **CA (540)**
California Adjustments - Residents

Important: Attach this schedule directly behind Form 540, Side 2.
 Name(s) as shown on return

REGGIE L. AND JACQUE L. RAGSDALE SSN or ITIN

Part I Income Adjustment Schedule		A	B	C
Section A - Income		Federal Amounts (taxable amounts from your federal return)	Subtractions (See instructions)	Additions (See instructions)
7	Wages, salaries, tips, etc. See instructions before making an entry in column B or C	7		
8	Taxable interest income	8		
9	Ordinary dividends. See instructions. (b)	9(a)		
10	Taxable refunds, credits, offsets of state and local income taxes	10		
11	Alimony received	11		
12	Business income or (loss)	12		
13	Capital gain or (loss). See instructions	13		
14	Other gains or (losses)	14		
15	Total IRA distributions. See instructions. (a)	15(b)		
16	Total pensions and annuities. See instructions. (a)	16(b)		
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc.	17	200	
18	Farm income or (loss)	18		
19	Unemployment compensation. Enter the same amount in column A and column B	19		
20	Social security benefits (a)	20(b)		
21	Other income: a California lottery winnings b Disaster loss carryover from FTB 3805V c Federal NOL (Form 1040, line 21) d NOL carryover from FTB 3805V e NOL from FTB 3805D, 3805Z, 3806, 3807, or 3809 f Other (describe):	21		
22	Total. Combine line 7 through line 21 in column A. Add line 7 through line 21f in column B and column C. Go to Section B	22	200	

Section B - Adjustments to Income

23	Educator expense	23		
24	Certain business expenses of reservists, performing artists, and fee-basis government officials	24		
25	Health savings account deduction	25		
26	Moving expenses	26		
27	One-half of self-employment tax	27		
28	Self-employed SEP, SIMPLE, and qualified plans	28		
29	Self-employed health insurance deduction	29		
30	Penalty on early withdrawal of savings	30		
31a	Alimony paid. (b) Recipient's SSN	31a		
32	IRA deduction	32		
33	Student loan interest deduction	33		
34	Tuition and fees deduction	34		
35	Domestic production activities deduction	35		
36	Add line 23 through line 31a and line 32 through line 35 in columns A, B, and C. See instructions	36		
37	Total. Subtract line 36 from line 22 in columns A, B, and C. See instructions	37		

Form **8863**

**Education Credits
(Hope and Lifetime Learning Credits)**

OMB No. 1545-0074

2007

Department of the Treasury
Internal Revenue Service

▶ See instructions to find out if you are eligible to take the credits.
▶ Attach to Form 1040 or Form 1040A.

Attachment
Sequence No. 50

Name(s) shown on return

REGGIE L. AND JACQUE L. RAGSDALE

Your social security number

Caution: • You cannot take the Hope credit and the lifetime learning credit for the same student in the same year.
• You cannot take both an education credit and the tuition and fees deduction (see Form 8917) for the same student in the same year.

Before you begin: Figure the amount of any credit you are claiming on Form 1040, line 51.

Part I Hope Credit. Caution: You cannot take the Hope credit for more than 2 tax years for the same student.

1	(a) Student's name (as shown on page 1 of your tax return) First name Last name	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions). Do not enter more than \$2,200 for each student.	(d) Enter the smaller of the amount in column (c) or \$1,100	(e) Add column (c) and column (d)	(f) Enter one-half of the amount in column (e)	
	JAMIE RAGSDALE	[REDACTED]	2200	1100	3300	1650	
	CASSIE RAGSDALE	[REDACTED]	2200	1100	3300	1650	
2	Tentative Hope credit. Add the amounts on line 1, column (f). If you are taking the lifetime learning credit for another student, go to Part II; otherwise, go to Part III.					2	3300

Part II Lifetime Learning Credit

3	(a) Student's name (as shown on page 1 of your tax return) First name Last name	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions)
4	Add the amounts on line 3, column (c), and enter the total.		4
5	Enter the smaller of line 4 or \$10,000.		5
6	Tentative lifetime learning credit. Multiply line 5 by 20% (.20) and go to Part III.		6

Part III Allowable Education Credits

7	Tentative education credits. Add lines 2 and 6.		7	3300
8	Enter: \$114,000 if married filing jointly; \$57,000 if single, head of household, or qualifying widow(er).		8	114000
9	Enter the amount from Form 1040, line 38*, or Form 1040A, line 22.		9	68845
10	Subtract line 9 from line 8. If zero or less, stop; you cannot take any education credits.		10	45155
11	Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er).		11	20000
12	If line 10 is equal to or more than line 11, enter the amount from line 7 on line 13 and go to line 14. If line 10 is less than line 11, divide line 10 by line 11. Enter the result as a decimal (rounded to at least three places).		12	100%
13	Multiply line 7 by line 12.		13	3300
14	Enter the amount from Form 1040, line 46, or Form 1040A, line 28.		14	2563
15	Enter the total, if any, of your credits from Form 1040, lines 47, 48, and 51; or Form 1040A, lines 29 and 30.		15	2563
16	Subtract line 15 from line 14. If zero or less, stop. You cannot take any education credits.		16	2563
17	Education credits. Enter the smaller of line 13 or line 16 here and on Form 1040, line 49, or Form 1040A, line 31. * If you are filing Form 2556, 2556-EZ, or 4563, or you are excluding income from Puerto Rico, see Pub. 970 for the amount to enter.		17	2563

For Paperwork Reduction Act Notice, see page 3.

Cat. No. 25379M

Form **8863** (2007)

SCHEDULE SE
(Form 1040)

Self-Employment Tax

OMB No. 1545-0074
2007
Attachment
Sequence No. 17

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040. ▶ See instructions for Schedule SE (Form 1040).

Name of person with self-employment income (as shown on Form 1040)

REGGIE L. RAGSDALE

Social security number of person with self-employment income ▶

Who Must File Schedule SE

You must file Schedule SE if:

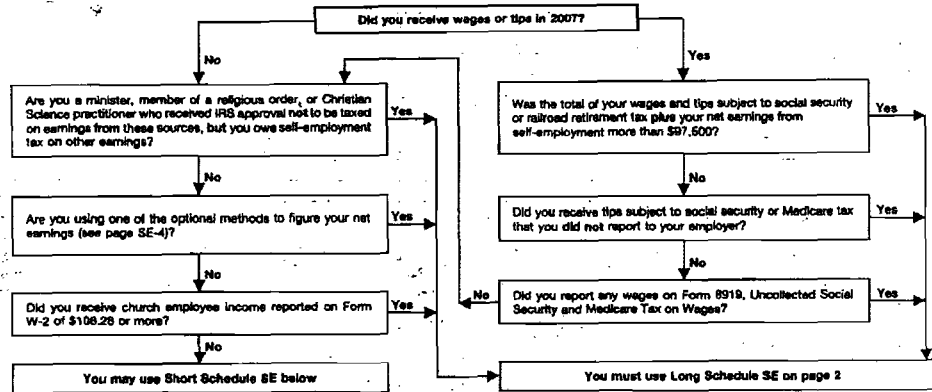
- You had net earnings from self-employment from other than church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, or
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order is not church employee income (see page SE-1).

Note. Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see page SE-4).

Exception. If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361 and received IRS approval not to be taxed on those earnings, do not file Schedule SE. Instead, write "Exempt-Form 4361" on Form 1040, line 58.

May I Use Short Schedule SE or Must I Use Long Schedule SE?

Note. Use this flowchart only if you must file Schedule SE. If unsure, see Who Must File Schedule SE, above.



Section A—Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.

1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A	1		
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-3 for other income to report	2	21000	GP
3	Combine lines 1 and 2	3	15574	
4	Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax ▶	4	14383	X1
5	Self-employment tax. If the amount on line 4 is: • \$97,500 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 58. • More than \$97,500, multiply line 4 by 2.9% (.029). Then, add \$12,090 to the result. Enter the total here and on Form 1040, line 58	5	2201	
6	Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 27	6	1100	

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 11358Z

Schedule SE (Form 1040) 2007

SCHEDULE E
(Form 1040)

Supplemental Income and Loss
(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074
2007
Attachment
Sequence No. 13

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ See instructions for Schedule E (Form 1040).

Name(s) shown on return

REGGIE L. AND JACQUE L. RAGSDALE

Your social security number

Part I **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see page E-3). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1	List the type and location of each rental real estate property:	2	For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of:	Yes	No
A	Oak Creek Properties LLC ftid#		• 14 days or • 10% of the total days rented at fair rental value? (See page E-3)	A	X
B				B	
C				C	

	Properties			Totals (Add columns A, B, and C.)	
	A	B	C		
3	Rents received	3	17897	3	
4	Royalties received	4		4	
Expenses:					
5	Advertising	5			
6	Auto and travel (see page E-4)	6			
7	Cleaning and maintenance	7			
8	Commissions	8			
9	Insurance	9			
10	Legal and other professional fees	10			
11	Management fees	11			
12	Mortgage interest paid to banks, etc. (see page E-4)	12			12
13	Other interest	13			
14	Repairs	14			
15	Supplies	15			
16	Taxes	16			
17	Utilities	17			
18	Other (list) ▶	18			
19	Add lines 5 through 18	19			19
20	Depreciation expense or depletion (see page E-5)	20			20
21	Total expenses. Add lines 19 and 20	21			
22	Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-5 to find out if you must file Form 6198	22	17897		
23	Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2	23			17897
24	Income. Add positive amounts shown on line 22. Do not include any losses	24			
25	Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here	25			
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26			17897

For Paperwork Reduction Act Notice, see page E-7 of the instructions.

Cat. No. 11344L

Schedule E (Form 1040) 2007

SCHEDULE E
(Form 1040)

Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

2007

Attachment Sequence No. 13

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ See instructions for Schedule E (Form 1040).

Name(s) shown on return

Your social security number

REGGIE L. AND JACQUE L. RAGSDALE

Part I Income or Loss From Rental Real Estate and Royalties Note: If you are in the business of renting personal property, use Schedule C or C-EZ (see page E-3). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1 List the type and location of each rental real estate property:	2 For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of: • 14 days or • 10% of the total days rented at fair rental value? (See page E-3)	Yes No	
		A	B
A Oak Creek Properties LLC ftid# [REDACTED]			X
B			
C			

Income:	Properties			Totals (Add columns A, B, and C.)
	A	B	C	
3 Rents received	17897			3
4 Royalties received				4
Expenses:				
5 Advertising				5
6 Auto and travel (see page E-4)				6
7 Cleaning and maintenance				7
8 Commissions				8
9 Insurance				9
10 Legal and other professional fees				10
11 Management fees				11
12 Mortgage interest paid to banks, etc. (see page E-4)				12
13 Other interest				13
14 Repairs				14
15 Supplies				15
16 Taxes				16
17 Utilities				17
18 Other (list) ▶				18
19 Add lines 5 through 18				19
20 Depreciation expense or depletion (see page E-5)				20
21 Total expenses. Add lines 19 and 20				21
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a loss, see page E-5 to find out if you must file Form 990	17897			22
23 Deductible rental real estate loss. Caution: Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2				23
24 Income. Add positive amounts shown on line 22. Do not include any losses				24
25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here.				25
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.				26

SCHEDULES A&B
(Form 1040)

Schedule A—Itemized Deductions

(Schedule B is on back)

OMB No. 1545-0074

2007

Attachment
Sequence No. 07

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040. ▶ See instructions for Schedules A&B (Form 1040).

Name(s) shown on Form 1040

REGGIE L. AND JACQUE L. RAGSDALE

Your social security number

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.			
1	Medical and dental expenses (see page A-1)	1	1516	
2	Enter amount from Form 1040, line 38	2	5163	0
3	Multiply line 2 by 7.5% (.075)	3		
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4		
Taxes You Paid	State and local (check only one box):			
(See page A-2)	a <input type="checkbox"/> Income taxes, or	5	946	
	b <input checked="" type="checkbox"/> General sales taxes			
6	Real estate taxes (see page A-5)	6		
7	Personal property taxes	7	947	
8	Other taxes. List type and amount ▶	8		
9	Add lines 5 through 8	9		1893
Interest You Paid	Home mortgage interest and points reported to you on Form 1098	10		
(See page A-5)	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-6 and show that person's name, identifying no., and address ▶	11		
12	Points not reported to you on Form 1098. See page A-6 for special rules	12		
13	Qualified mortgage insurance premiums (See page A-7)	13		
14	Investment interest. Attach Form 4952 if required. (See page A-7.)	14		
15	Add lines 10 through 14	15		0
Gifts to Charity	Gifts by cash or check. If you made any gift of \$250 or more, see page A-8.	16	22538	
If you made a gift and got a benefit for it, see page A-8.	Other than by cash or check. If any gift of \$250 or more, see page A-8. You must attach Form 8283 if over \$500	17	499	
18	Carryover from prior year	18		
19	Add lines 16 through 18	19		23037
Casualty and Theft Losses	Casualty or theft loss(es). Attach Form 4684. (See page A-9.)	20		
Job Expenses and Certain Miscellaneous Deductions	Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-9.) ▶	21		
(See page A-9)	Tax preparation fees.	22	500	
23	Other expenses—investment, safe deposit box, etc. List type and amount ▶	23	677	
	PROFESSIONAL ASSNS	24	1177	
24	Add lines 21 through 23	24	1377	
25	Enter amount from Form 1040, line 38	25	1377	0
26	Multiply line 25 by 2% (.02)	26		
27	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-	27		
Other Miscellaneous Deductions	Other—from list on page A-10. List type and amount ▶	28		
Total Itemized Deductions	Is Form 1040, line 38, over \$156,400 (over \$78,200 if married filing separately)?	29	24930	
	<input type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40.			
	<input type="checkbox"/> Yes. Your deduction may be limited. See page A-10 for the amount to enter.			
30	If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>			

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 11330X

Schedule A (Form 1040) 2007

Schedule D (Form 1040) 2007

Page 2

Part III Summary

16 Combine lines 7 and 15 and enter the result.

16 6916

If line 16 is:

- A gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below.
- A loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.
- Zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22.

17 Are lines 15 and 16 both gains?

- Yes. Go to line 18.
- No. Skip lines 18 through 21, and go to line 22.

18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet on page D-8 of the instructions.

18

19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet on page D-9 of the instructions.

19

20 Are lines 18 and 19 both zero or blank?

- Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 35 of the instructions for Form 1040 (or in the instructions for Form 1040NR). Do not complete lines 21 and 22 below.
- No. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Schedule D Tax Worksheet on page D-10 of the instructions. Do not complete lines 21 and 22 below.

21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of:

- The loss on line 16 or
- (\$3,000), or if married filing separately, (\$1,500)

21

Note. When figuring which amount is smaller, treat both amounts as positive numbers.

22 Do you have qualified dividends on Form 1040, line 8b, or Form 1040NR, line 10b?

- Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 35 of the instructions for Form 1040 (or in the instructions for Form 1040NR).
- No. Complete the rest of Form 1040 or Form 1040NR.

Schedule D (Form 1040) 2007

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.

REGGIE L. AND JACQUE L. RAGSDALE

Your social security number

Attachment Sequence No. 08

Schedule B—Interest and Ordinary Dividends

**Part I
Interest**

(See page B-1 and the instructions for Form 1040, line 8a.)

Note. If you received a Form 1099-INT, Form 1099-DIV, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address ▶

GEOMETRIC CTRS. MORENO VALLEY PASS THRU
ING BANK
UNION BANK

Amount	
	34651
	2447
	16

2 Add the amounts on line 1
3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815
4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a ▶

2	37114
3	
4	37114

Note. If line 4 is over \$1,500, you must complete Part III.

**Part II
Ordinary Dividends**

(See page B-1 and the instructions for Form 1040, line 9a.)

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

5 List name of payer ▶

Amount	
5	
6	0

6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a ▶
Note. If line 6 is over \$1,500, you must complete Part III.

**Part III
Foreign Accounts and Trusts**

(See page B-2.)

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; or (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

- 7a At any time during 2007, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1. Yes No
- b If "Yes," enter the name of the foreign country ▶ Yes No
- 8 During 2007, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See page B-2. Yes No

**SCHEDULE D
(Form 1040)**

Capital Gains and Losses

OMB No. 1545-0074

2007

▶ Attach to Form 1040 or Form 1040NR. ▶ See instructions for Schedule D (Form 1040).

▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

Department of the Treasury
Internal Revenue Service

Publication Sequence No. 12

Name(s) shown on return

REGGIE L. AND JACQUE L. RAGSDALE

Your social security number

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-7 of the instructions)	(e) Cost or other basis (see page D-7 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
1					
2	Enter your short-term totals, if any, from Schedule D-1, line 2.				
3	Total short-term sales price amounts. Add lines 1 and 2 in column (d).				
4	Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				
5	Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				
6	Short-term capital loss carryover. Enter the amount, if any, from line 10 of your Capital Loss Carryover Worksheet on page D-7 of the instructions				
7	Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f).				

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-7 of the instructions)	(e) Cost or other basis (see page D-7 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
8	083106	122907	30000	50000	(20000)
9	Enter your long-term totals, if any, from Schedule D-1, line 9.				
10	Total long-term sales price amounts. Add lines 8 and 9 in column (d).				
11	Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824				
12	Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				
13	Capital gain distributions. See page D-2 of the instructions				
14	Long-term capital loss carryover. Enter the amount, if any, from line 15 of your Capital Loss Carryover Worksheet on page D-7 of the instructions				
15	Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on the back				

For Paperwork Reduction Act Notice, see Form 1040 or Form 1040NR instructions. Cat. No. 11338M Schedule D (Form 1040) 2007

COPY

1065

U.S. Return of Partnership Income

OMB No. 1545-0099

2007

Form Department of the Treasury Internal Revenue Service

For calendar year 2007, or tax year beginning 2007, ending 2007. See separate instructions.

A Principal business activity
CONSTRUCTION
B Principal product or service
SERVICE
C Business code number
235900

Use the IRS label. Other-wise, print or type.

Name of partnership
SANTA ROSA CONSTRUCTION
Number, street, and room or suite no. If a P.O. box, see the instructions.
City or town, state, and ZIP code

D Employer identification number
E Date business started
010104
F Total assets (see the instructions)
NOT REQUIRED

- G Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return
- H Check accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶
- I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ **THREE**
- J Check if Schedule M-3 attached

Caution. Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

	Income	
	1a	1b
1a Gross receipts or sales		33900
b Less returns and allowances		0
2 Cost of goods sold (Schedule A, line 8)		0
3 Gross profit. Subtract line 2 from line 1c		33900
4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)		0
5 Net farm profit (loss) (attach Schedule F (Form 1040))		0
6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)		0
7 Other income (loss) (attach statement)		0
8 Total income (loss). Combine lines 3 through 7		33900
9 Salaries and wages (other than to partners) (less employment credits)		0
10 Guaranteed payments to partners		23400
11 Repairs and maintenance		0
12 Bad debts		0
13 Rent		3871
14 Taxes and licenses		6490
15 Interest		15608
16a Depreciation (if required, attach Form 4562)		21279
b Less depreciation reported on Schedule A and elsewhere on return		0
17 Depletion (Do not deduct oil and gas depletion.)		0
18 Retirement plans, etc.		0
19 Employee benefit programs		0
20 Other deductions (attach statement)		10300
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20		80949
22 Ordinary business income (loss). Subtract line 21 from line 8		(47049)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

Sign Here
 REGGIE L. RAGSDALE
 Signature of general partner or limited liability company member manager
 Date 042208
 May the IRS discuss the return with the preparer shown below (see instructions)? Yes No

Preparer's Use Only
 Preparer's signature M. P. UMBERGER
 Firm's name for years if self-employed, address, and ZIP code HI-DESERT DULCINEA
 Date 042208
 Check if self-employed
 Preparer's SSN or PTIN
 EIN ▶
 Phone no.

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cal. No. 11390Z Form: 1065 (2007)

Y909

REVENUE..CONSTRUCTION PCT COMPLETION	33900
COST OF GOODS SOLD:	
OTHERS	0
WIP.....	0
INCOME..	33900

EXPENSES:	
WAGES	
GUARANTEED PYMNTS.....	23400
REPAIRS MAINTENANCE.....	0
BAD DEBTS	0
RENT.....	3871
TAXES.....	6490
INTEREST.....	15608
DEPRECIATION.....	21279
OTHER:	
ADVRTSMNT	12
DUES	66
FUEL	344
JANITORIAL..	4300
INSURANCES	1652
LOAB FEES LAWYERS TITLE..	2200
TELEPHONE	1709
MEETINGS	18
TOTAL OTHER EXPENSES.....	10300
TOTAL EXPENSES.....	80949
TOTAL NET INCOME.....	-47049

Schedule A Cost of Goods Sold (see the instructions)

1	Inventory at beginning of year	
2	Purchases less cost of items withdrawn for personal use	
3	Cost of labor	
4	Additional section 263A costs (attach statement)	
5	Other costs (attach statement)	
6	Total. Add lines 1 through 5	
7	Inventory at end of year	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	

- 9a Check all methods used for valuing closing inventory:
- (i) Cost as described in Regulations section 1.471-3
 - (ii) Lower of cost or market as described in Regulations section 1.471-4
 - (iii) Other (specify method used and attach explanation) ▶
- b Check this box if there was a write-down of "subnormal" goods as described in Regulations section 1.471-2(c) ▶
- c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶
- d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? Yes No
- e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
- If "Yes," attach explanation.

Schedule B Other Information

- | | | | |
|----|--|-----|-----|
| 1 | What type of entity is filing this return? Check the applicable box: | Yes | No |
| a | <input checked="" type="checkbox"/> Domestic general partnership | | |
| b | <input type="checkbox"/> Domestic limited partnership | | |
| c | <input type="checkbox"/> Domestic limited liability company | | |
| d | <input type="checkbox"/> Domestic limited liability partnership | | |
| e | <input type="checkbox"/> Foreign partnership | | |
| f | <input type="checkbox"/> Other ▶ | | |
| 2 | Are any partners in this partnership also partnerships? | | X |
| 3 | During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations section 301.7701-2 and 301.7701-3? If "Yes," see instructions for required attachment | | X |
| 4 | Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details | | N/A |
| 5 | Does this partnership meet all three of the following requirements? | | |
| a | The partnership's total receipts for the tax year were less than \$250,000; | | |
| b | The partnership's total assets at the end of the tax year were less than \$500,000; and | | |
| c | Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return | | X |
| | If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1. | | |
| 6 | Does this partnership have any foreign partners? If "Yes," the partnership may have to file Forms 8804, 8805 and 8813. See the instructions. | | X |
| 7 | Is this partnership a publicly traded partnership as defined in section 469(k)(2)? | | X |
| 8 | Has this partnership filed, or is it required to file, a return under section 5111 to provide information on any reportable transaction? | X | |
| 9 | At any time during calendar year 2007, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. ▶ | | X |
| 10 | During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See the instructions. | | X |
| 11 | Was there a distribution of property or a transfer (for example, by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership in the instructions | | X |
| 12 | Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return ▶ | | |

Designation of Tax Matters Partner (see the instructions)
 Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP	REGGIE L. RAGSDALE	Identifying number of TMP	
Address of designated TMP	[REDACTED]		

Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2007

Attachment
Sequence No. 67

Name(s) shown on return

SANTA ROSA CONSTRUCTION

Business or activity to which this form relates

1065

Identifying number

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses.	1	\$125,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$500,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
---	-----------------------------	------------------------------	------------------

7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2006 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2006. Add lines 9 and 10, less line 12 ▶	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year (see instructions)	14	
15	Property subject to section 169(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2007	17	18322
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B—Assets Placed in Service During 2007 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		29558	5 YRS	STD	SL	2957
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

20a Class life				S/L
b 12-year		12 yrs.		S/L
c 40-year		40 yrs.	MM	S/L

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 18 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr.	22	21279
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Cal. No. 12906N

Form 4562 (2007)

SANTA ROSA CNSTRCTN	71-0984606	BASIS	METHOD	CY 07		BALANCE
				PRIOR	THIS CY07	
CY02						
SUBURBAN 2002	41889	5YRSL		41889	0	0
TRUCK 04	52173	5YRSL		26085	10434	15654
TRACTORS 04	27112	5YRSL		13555	-5422	8135
1 TON DODGE 05	12334	5YRSL		1233	2466	8635
<hr/>						
	133508	5YRSL		82762	18322	32424
CY 06..	0	5YRSL		0	0	0
<hr/>						
TOTAL PRIOR	133508	5YRSL		82762	18322	32424
<hr/>						
1 TON FORD-07	5000	5YRSL		0	500	4500
BACKHOE-07	24558	5YRSL		0	2457	22101
<hr/>						
TOTAL CY 07	29558	5YRSL		0	2957	26601
<hr/>						
TOTAL DEP	163066	5YRSL		82762	21279	59025
ACC DEP	104041					
NET ASSETS	59025					

ck# 0

2007

Schedule K-1 (Form 1065) For calendar year 2007, or last year beginning 2007

Partner's Share of Income, Deductions, Credits, etc. See part of form and separate instructions.

Part I Information About the Partnership

1. Partnership's employer identification number: [redacted]
2. Partnership's name, address, city, state, and ZIP code: SANTA ROSA CONSTRUCTION

Part II Information About the Partner

1. Partner's name, address, city, state, and ZIP code: REGGIE L. RAGSDALE

1. What type of entity is the partner? INDIVIDUAL
2. Partner's share of profit, loss, and capital:
Profit: 50%
Loss: 50%
Capital: 50%

3. Partner's share of liabilities at year end:
Nonrecourse: 50
Qualified nonrecourse financing: 50
Recourse: 50

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 18 columns: 1 Ordinary business income (23524), 2 Net rental real estate income, 3 Other net rental income, 4 Guaranteed payments, 5 Interest income, 6 Ordinary dividends, 7 Qualified dividends, 8 Royalties, 9 Net short-term capital gain, 10 Net long-term capital gain, 11 Net Section 1231 gain, 12 Net Section 1251 gain, 13 Other income, 14 Self-employment earnings, 15 Section 179 deduction, 16 Other deductions, 17 Distributions, 18 Tax-exempt income and nondeductible expenses.

For IRS Use Only. See attached statement for additional information. (23524)

Schedule K-1 (Form 1065) 2007. This line identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's instructions for Schedule K-1 and the instructions for your income tax return.

- 1. Ordinary business income (23524)
2. Net rental real estate income
3. Other net rental income
4. Guaranteed payments
5. Interest income
6. Ordinary dividends
7. Qualified dividends
8. Royalties
9. Net short-term capital gain
10. Net long-term capital gain
11. Net Section 1231 gain
12. Net Section 1251 gain
13. Other income
14. Self-employment earnings
15. Section 179 deduction
16. Other deductions
17. Distributions
18. Tax-exempt income and nondeductible expenses

Schedule K-1 (Form 1065)

2007

Department of the Treasury Internal Revenue Service

For calendar year 2007, or tax year beginning 2007 ending 20

Partner's Share of Income, Deductions, Credits, etc.

Part I Information About the Partnership

A Partnership's employer identification number
B Partnership's name, address, city, state, and ZIP code
C IRS Center where partnership filed return
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
F Partner's name, address, city, state, and ZIP code
G General partner or LLC member-manager
H Domestic partner
I What type of entity is this partner?
J Partner's share of profit, loss, and capital
K Partner's share of liabilities at year end
L Partner's capital account analysis

Part III Partner's Share of Current-Year Income, Deductions, Credits, and Other Items
1 Ordinary business income (loss)
2 Net rental real estate income (loss)
3 Other net rental income (loss)
4 Guaranteed payments
5 Interest income
6a Ordinary dividends
6b Qualified dividends
7 Royalties
8 Net short-term capital gain (loss)
9a Net long-term capital gain (loss)
9b Collectibles (28%) gain (loss)
9c Unrecaptured section 1250 gain
10 Net section 1231 gain (loss)
11 Other income (loss)
12 Section 179 deduction
13 Other deductions
14 Self-employment earnings (loss)
15 Credits
16 Foreign transactions
17 Alternative minimum tax (AMT) items
18 Tax-exempt income and nondeductible expenses
19 Distributions
20 Other information

Schedule K-1 (Form 1065) 2007

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

1. Ordinary business income (loss). You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows:
Report on: See the Partner's Instructions
Schedule E, line 28, column (g)
Schedule E, line 28, column (h)
Schedule E, line 28, column (i)
See the Partner's Instructions
Schedule E, line 28, column (g)
See the Partner's Instructions
Schedule E, line 26, column (i)
Form 1040, line 9a
Form 1040, line 9b
Schedule E, line 4
Schedule D, line 6, column (f)
Schedule D, line 12, column (f)
28% Rate Gain Worksheet, line 4 (Schedule D Instructions)
See the Partner's Instructions
See the Partner's Instructions
Code
A Other portfolio income (loss)
B Involuntary conversions
C Sec. 1256 contracts & straddles
D Mining exploration costs recapture
E Carried-over debt
F Other income (loss)
See the Partner's Instructions
See the Partner's Instructions
Form 8781, line 1
See Pub. 536
Form 1040, line 21 or Form 987
See the Partner's Instructions
See the Partner's Instructions
Section 179 deduction
Other deductions
A Cash contributions (50%)
B Cash contributions (30%)
C Noncash contributions (50%)
D Noncash contributions (30%)
E Capital gain property to a 50% organization (50%)
F Capital gain property (20%)
G Investment interest expense
H Deductions—royalty income
I Section 59(a)(2) expenditures
J Deductions—portfolio (2% floor)
K Deductions—portfolio (other)
L Amounts paid for medical insurance
Schedule A, line 1 or Form 1040, line 29
See the Partner's Instructions
Form 2441, line 14
See the Partner's Instructions
See Form 8682 Instructions
See the Partner's Instructions
See the Partner's Instructions
See Form 8603 Instructions
Form 8603, line 7
Form 8603, line 15
See the Partner's Instructions
14. Self-employment earnings (loss)
Note: If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.
A Net earnings (loss) from self-employment
B Gross farming or fishing income
C Gross non-farm income
Schedule SE, Section A or B
See the Partner's Instructions
See the Partner's Instructions
15. Credits
A Low-income housing credit (section 42(b))
B Low-income housing credit (other)
C Qualified rehabilitation expenditures (rental real estate)
D Other rental credits
E Other rental real estate credits
F Undistributed capital gains credit
G Credit for alcohol used as fuel
H Work opportunity credit
I Welfare-to-work credit
J Disabled access credit
See the Partner's Instructions
Form 1040, line 70; check box x
See the Partner's Instructions
Code
K Empowerment zone and renewal community employment credit
L Credit for increasing research activities
M New markets credit
N Credit for employer social security and Medicare taxes
O Backup withholding
P Other credits
Form 8844, line 3
See the Partner's Instructions
Form 1040, line 64
See the Partner's Instructions
16. Foreign transactions
A Name of country or U.S. possession
B Gross income from all sources
C Gross income sourced at partner level
D Passive category
E General category
F Other
Form 1116, Part I
Form 1116, Part I
Form 1116, Part I
Form 1116, Part I
Form 1116, Part I
Form 1116, Part I
Other information
L Total foreign taxes paid
M Total foreign taxes accrued
N Reduction in taxes available for credit
D Foreign trading gross receipts
P Extraterritorial income election
Q Other foreign transactions
Form 1116, Part II
Form 1116, Part II
Form 1116, line 12
Form 8873
Form 8873
See the Partner's Instructions
17. Alternative minimum tax (AMT) items
A Post-1986 depreciation adjustment
B Adjusted gain or loss
C Depletion (other than oil & gas)
D Oil, gas, & geothermal—deductions
E Oil, gas, & geothermal—deductions
F Other AMT items
See the Partner's Instructions and the Instructions for Form 6251
18. Tax-exempt income and nondeductible expenses
A Tax-exempt interest income
B Other tax-exempt income
C Nondeductible expenses
Form 1040, line 6b
See the Partner's Instructions
See the Partner's Instructions
19. Distributions
A Cash and marketable securities
B Other property
See the Partner's Instructions
See the Partner's Instructions
20. Other information
A Investment income
B Investment expenses
C Fuel tax credit information
D Qualified rehabilitation expenditures (other than rental real estate)
E Basis of energy property
F Recapture of low-income housing credit (section 42(b))
G Recapture of low-income housing credit (other)
H Recapture of investment credit
I Recapture of other credits
J Look-back interest—completed long-term contracts
K Look-back interest—income forecast method
L Dispositions of property with section 179 deductions
M Recapture of section 179 deduction
N Interest expense for corporate partners
O Section 453(d)(3) information
P Section 453A(e) information
Q Section 1200(a) information
R Interest allocable to production expenditures
S CCF nonqualified withdrawals
T Information needed to figure depletion—oil and gas
U Amortization of intangibles costs
V Unaffiliated business taxable income
W Other information
Form 4852, line 4a
Form 4952, line 5
Form 4136
See the Partner's Instructions
Form 8611, line 8
Form 8611, line 8
Form 8697
See Form 8656
See the Partner's Instructions
See the Partner's Instructions

Schedule K-1
 (Form 1065)
 2007

Department of the Treasury
 Internal Revenue Service

For calendar year 2007, or tax year beginning 2007, ending 2007

Partner's Share of Income, Deductions, Credits, etc.

See page of form and separate instructions.

Part I Information About the Partnership

1. Partnership's employer identification number
 2. Partnership's name, address, city, state, and ZIP code
SANTA ROSA CONSTRUCTION
OSIDEN, UTAH

3. RS Code: when partnership filed return
OSIDEN, UTAH

4. Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

1. Partner's identifying number

2. Partner's name, address, city, state, and ZIP code
CASSTE E. BAGSDALE

3. Partner's share of profit, loss, and capital

4. Partner's share of distributions if any are:

5. Partner's capital account ending:

6. Partner's capital account beginning:

7. Partner's capital account contributed during the year:

8. Partner's capital account withdrawn during the year:

9. Partner's capital account at the end of the year:

10. Partner's share of partnership debt:

11. Partner's share of partnership liabilities:

12. Partner's share of partnership assets:

13. Partner's share of partnership liabilities:

14. Partner's share of partnership assets:

15. Partner's share of partnership liabilities:

16. Partner's share of partnership assets:

17. Partner's share of partnership liabilities:

18. Partner's share of partnership assets:

19. Partner's share of partnership liabilities:

20. Partner's share of partnership assets:

21. Partner's share of partnership liabilities:

22. Partner's share of partnership assets:

23. Partner's share of partnership liabilities:

24. Partner's share of partnership assets:

25. Partner's share of partnership liabilities:

26. Partner's share of partnership assets:

27. Partner's share of partnership liabilities:

28. Partner's share of partnership assets:

29. Partner's share of partnership liabilities:

OMB No. 1545-0046
 651107

Part I-1: Amended K-1-1

Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1. Ordinary business income (loss) **11762**

2. Net rental and other income (loss)

3. Other net rental income (loss)

4. Guaranteed payments **11700**

5. Interest income

6. Ordinary dividends

7. Qualified dividends

8. Royalties

9. Net short-term capital gain (loss)

10. Net long-term capital gain (loss)

11. Capital gain (loss) **11700**

12. Unrecaptured section 1250 gain

13. Net section 1231 gain (loss)

14. Other income (loss)

15. Section 179 deduction

16. Other deductions

17. Self-employment earnings (loss)

18. Other information

19. Distributions

20. Other information

21. Other information

22. Other information

23. Other information

24. Other information

25. Other information

26. Other information

27. Other information

28. Other information

29. Other information

30. Other information

31. Other information

32. Other information

33. Other information

34. Other information

35. Other information

36. Other information

37. Other information

38. Other information

39. Other information

For IRS Use Only

See attached statement for additional information.

(62)

See attached statement for additional information.

See attached statement for additional information.

See attached statement for additional information.

See attached statement for additional information.

See attached statement for additional information.

See attached statement for additional information.

OMB No. 1545-0046
 Schedule K-1 (Form 1065) 2007

See instructions for Form 1065.

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

	Code	Report on
1. Ordinary business income (loss). You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows:		
Passive loss		
Passive income		
Nonpassive loss		
Nonpassive income		
2. Net rental real estate income (loss)		
3. Other net rental income (loss)		
Net income		
Net loss		
4. Guaranteed payments		
5. Interest income		
6a. Ordinary dividends		
6b. Qualified dividends		
7. Royalties		
8. Net short-term capital gain (loss)		
9a. Net long-term capital gain (loss)		
9b. Collectibles (28%) gain (loss)		
9c. Unrecaptured section 1250 gain		
10. Net section 1251 gain (loss)		
11. Other income (loss)		
Code		
A Other portfolio income (loss)		
B Involuntary conversions		
C Sec. 1259 contracts & straddles		
D Mining exploration costs recapture		
E Cancellation of debt		
F Other income (loss)		
12. Section 179 deduction		
13. Other deductions		
A Cash contributions (50%)		
B Cash contributions (30%)		
C Noncash contributions (50%)		
D Noncash contributions (30%)		
E Capital gain property to a 50% organization (30%)		
F Capital gain property (20%)		
G Investment interest expense		
H Deductions—royalty income		
I Section 66(a)(2) expenditures		
J Deductions—portfolio (2% floor)		
K Deductions—portfolio (other)		
L Amounts paid for medical insurance		
M Educational assistance benefits		
N Dependent care benefits		
O Preproductive period expenses		
P Commercial revitalization deduction from rental real estate activities		
Q Partners and ESAs		
R Reforestation expense deduction		
S Domestic production activities information		
T Qualified production activities income		
U Employer's Form W-2 wages		
V Other deductions		
14. Self-employment earnings (loss)		
Note: If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		
A Net earnings (loss) from self-employment		
B Gross farming or fishing income		
C Gross non-farm income		
15. Credits		
A Low-income housing credit (section 420(f)(5))		
B Low-income housing credit (other)		
C Qualified rehabilitation expenditures (rental real estate)		
D Other rental real estate credits		
E Other rental credits		
F Undistributed capital gains credit		
G Credit for alcohol used as fuel		
H Work opportunity credit		
I Welfare-to-work credit		
J Disabled access credit		
K Empowerment zone and renewal community employment credit		Form 8844, line 3
L Credit for increasing research activities		
M New markets credit		See the Partner's Instructions
N Credit for employer social security and Medicare taxes		
O Backup withholding		Form 1040, line 54
P Other credits		See the Partner's Instructions
16. Foreign transactions		
A Name of country or U.S. possession		
B Gross income from all sources		Form 1116, Part I
C Gross income sourced at partner level		
Foreign gross income sourced at partnership level		
D Passive category		
E General category		Form 1116, Part I
F Other		
Deductions allocated and apportioned at partner level		
G Interest expense		Form 1116, Part I
H Other		Form 1116, Part I
Deductions allocated and apportioned at partnership level to foreign source income		
I Passive category		
J General category		Form 1116, Part I
K Other		
Over information		
L Total foreign taxes paid		Form 1116, Part II
M Total foreign taxes accrued		Form 1116, Part II
N Reduction in taxes available for credit		Form 1116, line 12
O Foreign trading gross receipts		Form 8873
P Extraterritorial income exclusion		Form 8873
Q Other foreign transactions		See the Partner's Instructions
17. Alternative minimum tax (AMT) items		
A Post-1986 depreciation adjustment		
B Adjusted gain or loss		See the Partner's Instructions and the instructions for Form 6251
C Depletion (other than oil & gas)		
D Oil, gas, & geothermal—gross income		
E Oil, gas, & geothermal—deductions		
F Other AMT items		
18. Tax-exempt income and nondeductible expenses		
A Tax-exempt interest income		Form 1040, line 8b
B Other tax-exempt income		See the Partner's Instructions
C Nondeductible expenses		See the Partner's Instructions
19. Distributions		
A Cash and marketable securities		See the Partner's Instructions
B Other property		See the Partner's Instructions
20. Other information		
A Investment income		Form 4952, line 4a
B Investment expenses		Form 4952, line 5
C Fuel tax credit information		Form 4136
D Qualified rehabilitation expenditures (other than rental real estate)		See the Partner's Instructions
E Basis of energy property		See the Partner's Instructions
F Recapture of low-income housing credit (section 420(f)(5))		Form 8611, line 8
G Recapture of low-income housing credit (other)		Form 8611, line 8
H Recapture of investment credit		See Form 4253
I Recapture of other credits		See the Partner's Instructions
J Look-back interest—completed long-term contracts		See Form 8897
K Look-back interest—income forecast method		See Form 8865
L Dispositions of property with section 179 deductions		
M Recapture of section 179 deduction		
N Interest expense for corporate partners		
O Section 453(f)(3) information		
P Section 453A(c) information		
Q Section 1280(b) information		
R Interest allocable to production expenditures		See the Partner's Instructions
S CCF nonqualified withdrawals		
T Information needed to figure depletion—oil and gas		
U Amortization of reforestation costs		
V Unrelated business taxable income		
W Other information		

TAXABLE YEAR

Partner's Share of Income, Deductions, Credits, etc.

CALIFORNIA SCHEDULE

K-1 (565)

For calendar year 2007 or fiscal year beginning month _____ day _____ year _____ and ending month _____ day _____ year _____

Partner's identifying number _____ Partnership's FEIN _____

Partner's name, address, city, state, and ZIP Code
JACQUE L. RAGSDALE

Secretary of State file number _____
 Partnership's name, address, city, state, and ZIP Code
OPTOMETRIC CENTER OF MORENO VALLEY

A Is this partner a: (1) general partner, or (2) limited partner?

B What type of entity is this partner? •
 (1) Individual (5) General Partnership (9) IRA/Keogh/SEP
 (2) S Corporation (6) Limited Partnership (10) Exempt Organization
 (3) Estate/Trust (7) LLP (11) Disregarded Entity
 (4) C Corporation (8) LLC

C Is this partner a foreign partner? • Yes No

D Enter partner's percentage (without regard to special allocations) of:
 (i) Before decrease or termination (ii) End of year

Profit sharing 35 % • 35 %
 Loss sharing 35 % • 35 %
 Ownership of capital 35 % • 35 %

E Partner's share of liabilities:
 Nonrecourse \$ 35 %
 Qualified nonrecourse financing \$ 35 %
 Other \$ 35 %

F Tax shelter registration number _____

G (1) Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2)
 (2) Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1)

H Check here if this is: •
 (1) A final Schedule K-1 (565) (2) An amended Schedule K-1 (565)
 Is this partner a nonresident of California? • Yes • No

J Analysis of partner's capital account: Check the box • (1) Tax Basis (2) GAAP (3) Section 704(b) Book (4) Other (explain) _____

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of line 3, line 4, and line 7, Form 565, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year. Combine column (a) through column (d).

Caution: Refer to Partner's instructions for Schedule K-1 (565) before entering information from this schedule on your California return.

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
1	Ordinary income (loss) from trade or business activities	(2921)		(2921)	(2921)
2	Net income (loss) from rental real estate activities				
3	Net income (loss) from other rental activities				
4	Guaranteed payments to partners				
5	Interest income	12128		12128	12128
6	Dividends				
7	Royalties				
8	Net short-term capital gain (loss)				
9	Net long-term capital gain (loss)	9421		9421	9421
10	a Total Gain under IRC Section 1231 (other than due to casualty or theft)				
	b Total Loss under IRC Section 1231 (other than due to casualty or theft)				
11	a Other portfolio income (loss). Attach schedule				
	b Total other income. Attach schedule				
	c Total other loss. Attach schedule				

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Deductions	12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17207.2, 17207.5 and 17268)				
	13 a Charitable contributions				
	b Investment interest expense				
	c 1 Total expenditures to which an IRC Section 59(a) election may apply				
	2 Type of expenditures				
	d Deductions related to portfolio income				
	e Other deductions. Attach schedule				
Credits	15 a Total withholding (equals amount on Form 592-B if calendar year partnership)				
	b Low-income housing credit				
	c Credits other than line 15b related to rental real estate activities				
	d Credits related to other rental activities				
	e Nonconsenting nonresident partner's tax paid by partnership				
	f Other credits - Attach required schedules or statements				
Alternative Minimum Tax (AMT) Items	17 a Depreciation adjustment on property placed in service after 1986				
	b Adjusted gain or loss				
	c Depletion (other than oil & gas)				
	d Gross income from oil, gas, and geothermal properties				
	e Deductions allocable to oil, gas, and geothermal properties				
	f Other alternative minimum tax items				
Tax-Exempt Income and Nondeductible Expenses	18 a Tax-exempt interest income				
	b Other tax-exempt income				
	c Nondeductible expenses				
Distributions	19 a Distributions of money (cash and marketable securities)				
	b Distributions of property other than money				
Other Information	20 a Investment income				
	b Investment expenses				
	c Other information. See instructions				

JACQUE L. RAGSDALE OPTOMETRIC CENTER OF MORENO VALLEY

Table 1 — Partner's share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the partners):

Interest \$ _____ Sec. 1231 Gains/Losses \$ _____ Capital Gains/Losses \$ _____
 Dividends \$ _____ Royalties \$ _____ Other \$ _____

FOR USE BY APPORTIONING UNITARY PARTNERS ONLY — See instructions.

Table 2 — Partner's share of distributive items.

- A. Partner's share of the partnership's business income. See instructions. \$ _____
 B. Partner's share of nonbusiness income from real and tangible personal property sourced or allocable to California.

Capital Gains/Losses \$ _____ Rents/Royalties \$ _____

Sec. 1231 Gains/Losses \$ _____ Other \$ _____

- C. Partner's distributive share of the partnership's property, payroll, and sales:

Factors	Total within and outside California	Total within California
Property: Beginning	\$ _____	\$ _____
Ending	\$ _____	\$ _____
Annual Rent Expense	\$ _____	\$ _____
Payroll	\$ _____	\$ _____
Sales	\$ _____	\$ _____

TAXABLE YEAR

CALIFORNIA FORM

2007 Partnership Return of Income

565

For calendar year 2007 or fiscal year beginning month day year and ending month day year

A Principal business activity name (same as federal) OPTOMETRIC CENTER OF MORENO VALLEY

B FEIN 010191

C Principal business activity code (same as federal) 812112

D City State ZIP Code

E Check accounting method (1) Cash (2) Accrual (3) Other (attach explanation)

Caution: Include only trade or business income and expenses on line 1a through line 22 below. See the instructions for more information.

Table with 3 columns: Description, Amount, Balance. Rows include Gross receipts or sales, Cost of goods sold, GROSS PROFIT, Total ordinary income, Total ordinary loss, Total farm profit, Total farm loss, Total gains included, Total losses included, Other income, Other loss, Total income (less).

Table with 3 columns: Description, Amount, Balance. Rows include Salaries and wages, Guaranteed payments to partners, Bad debts, Deductible interest expense, Depreciation and amortization, Depletion, Retirement plans, Employee benefit programs, Other deductions, Total deductions, Ordinary income (loss).

Table with 3 columns: Description, Amount, Balance. Rows include Tax, Nonresident withholding credit, Amount paid with extension of time to file return, Total payments, Tax due, Use Tax, Refund, Penalties and interest, Total amount due.

Table with 3 columns: Description, Amount, Balance. Rows include Tax, Nonresident withholding credit, Amount paid with extension of time to file return, Total payments, Tax due, Use Tax, Refund, Penalties and interest, Total amount due.

Table with 3 columns: Description, Amount, Balance. Rows include Tax, Nonresident withholding credit, Amount paid with extension of time to file return, Total payments, Tax due, Use Tax, Refund, Penalties and interest, Total amount due.

Table with 3 columns: Description, Amount, Balance. Rows include Tax, Nonresident withholding credit, Amount paid with extension of time to file return, Total payments, Tax due, Use Tax, Refund, Penalties and interest, Total amount due.

Preparer's signature: M.P. UMBERGER, Date: 042208, Firm's name: DESERT DULCINEA

Schedule A Cost of Goods Sold

Table with 2 columns: Description, Amount. Rows include Inventory at beginning of year, Purchases less cost of items withdrawn for personal use, Cost of labor, Additional IRC Section 263A costs, Other costs, Total, Inventory at end of year, Cost of goods sold.

Check all methods used for valuing closing inventory: (1) Cost (2) Lower of cost or market as described in Treas. Reg. Section 1.471-4 (3) Write down of "subnormal" goods as described in Treas. Reg. Section 1.471-2(c) (4) Other. Specify method used and attach explanation.

What type of entity is filing this return? Check one only: 1 General partnership THIS IS A GENERAL PARTNERSHIP, 2 Limited partnership required to pay annual tax, 3 Limited liability partnership, 4 REMIC, 5 Limited liability partnership, 6 Other.

Enter the maximum number of partners in this partnership at any time during the year. (Be sure to attach a California Schedule K-1 (565) for each partner.) TWO

Table with 2 columns: Question, Yes/No. Rows include: Is any partner of the partnership related by blood or marriage to any other partner?, Are any partners in this partnership also partnerships or LLCs?, Does the partnership meet all the requirements shown in the instructions for Question O?, Was there a distribution of property or transfer of a partnership interest during the taxable year?, Is this partnership a publicly traded partnership as defined in IRC Section 469(k)(2)?, For this taxable year, was there a change in control or majority ownership for this partnership?

Schedule K-1 Partner's Distributive-Share Income		Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 28)	1 163.00
	2 Net rental real estate income (loss) (attach Form 8825)	2
	3a Other gross rental income (loss)	3a
	3b Expenses from other rental activities (attach statement)	3b
	3c Other net rental income (loss). Subtract line 3b from line 3a	3c
	4 Guaranteed payments	4 210.00
	5 Interest income	5 346.51
	6 Dividends: a Ordinary dividends	6a
	b Qualified dividends	6b
	7 Royalties	7
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a 269.16	
b Collectibles (28%) gain (loss)	9b	
c Unrecaptured section 1250 gain (attach statement)	9c	
10 Net section 1231 gain (loss) (attach Form 4797)	10	
11 Other income (loss) (see instructions) Type >	11	
Deductions	12 Section 179 deduction (attach Form 4562)	12
	13a Contributions	13a
	b Investment interest expense	13b
	c Section 59(e)(2) expenditures: (1) Type > (2) Amount >	13c(1) 13c(2)
d Other deductions (see instructions) Type >	13d	
Self-employment	14a Net earnings (loss) from self-employment	14a 1,265.3
	b Gross farming or fishing income	14b
	c Gross nonfarm income	14c
Credits	15a Low-income housing credit (section 42(i)(5))	15a
	b Low-income housing credit (other)	15b
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c
	d Other rental real estate credits (see instructions) Type >	15d
	e Other rental credits (see instructions) Type >	15e
	f Other credits (see instructions) Type >	15f
Foreign Transactions	16a Name of country or U.S. possession >	16a
	b Gross income from all sources	16b
	c Gross income sourced at partner level	16c
	Foreign gross income sourced at partnership level	
	d Passive category > e General category > f Other >	16f
	Deductions allocated and apportioned at partner level	
	g Interest expense > h Other >	16g
	Deductions allocated and apportioned at partnership level to foreign source income	
i Passive category > j General category > k Other >	16k	
l Total foreign taxes (check one): > Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	16l	
m Reduction in taxes available for credit (attach statement)	16m	
n Other foreign tax information (attach statement)	16n	
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a
	b Adjusted gain or loss	17b
	c Depletion (other than oil and gas)	17c
	d Oil, gas, and geothermal properties—gross income	17d
	e Oil, gas, and geothermal properties—deductions	17e
	f Other AMT items (attach statement)	17f
	17g	17g
Other Information	18a Tax-exempt interest income	18a
	b Other tax-exempt income	18b
	c Nondeductible expenses	18c
	19a Distributions of cash and marketable securities	19a
	b Distributions of other property	19b
	20a Investment income	20a
b Investment expenses	20b	
c Other items and amounts (attach statement)	20c	

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16i						1	74220
2 Analysis by partner type:		(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other
a General partners			TWO				
b Limited partners							

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (attach statement)				
7	Mortgage and real estate loans				
8	Other investments (attach statement)				
9a	Buildings and other depreciable assets				
b	Less accumulated depreciation				
10a	Depletable assets				
b	Less accumulated depletion				
11	Land (net of any amortization)				
12a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
13	Other assets (attach statement)				
14	Total assets				
Liabilities and Capital					
15	Accounts payable				
16	Mortgages, notes, bonds payable in less than 1 year				
17	Other current liabilities (attach statement)				
18	All nonrecourse loans				
19	Mortgages, notes, bonds payable in 1 year or more				
20	Other liabilities (attach statement)				
21	Partners' capital accounts				
22	Total liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1	Net income (loss) per books		6	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Guaranteed payments (other than health insurance)		7	Deductions included on Schedule K, lines 1 through 13d, and 16i, not charged against book income this year (itemize):	
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16i (itemize):		a	Depreciation \$	
a	Depreciation \$		8	Add lines 6 and 7	
b	Travel and entertainment \$		9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	
5	Add lines 1 through 4				

Schedule M-2 Analysis of Partners' Capital Accounts

1	Balance at beginning of year		6	Distributions: a - Cash	
2	Capital contributed: a Cash		b	Property	
b	Property		7	Other decreases (itemize):	
3	Net income (loss) per books		8	Add lines 6 and 7	
4	Other increases (itemize):		9	Balance at end of year. Subtract line 8 from line 5	
5	Add lines 1 through 4				

653107

Schedule K-1 (Form 1065)

2007

Department of the Treasury Internal Revenue Service For calendar year 2007, or tax year beginning ending 2007

Partner's Share of Income, Deductions, Credits, etc.

Part I Information About the Partnership
A Partnership's employer identification number
B Partnership's name, address, city, state, and ZIP code
C IRS Center where partnership filed return
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner
E Partner's identifying number
F Partner's name, address, city, state, and ZIP code

G General partner or LLC member-manager
H Domestic partner
I What type of entity is this partner?
J Partner's share of profit, loss, and capital

K Partner's share of liabilities at year end
L Partner's capital account analysis

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items
1 Ordinary business income (loss)
2 Net rental real estate income (loss)
3 Other net rental income (loss)
4 Guaranteed payments
5 Interest income
6a Ordinary dividends
6b Qualified dividends
7 Royalties
8 Net short-term capital gain (loss)
9a Net long-term capital gain (loss)
9b Collectibles (28%) gain (loss)
9c Unrecaptured section 1250 gain
9d Net section 1231 gain (loss)
10 Net section 1231 gain (loss)
11 Other income (loss)
12 Section 179 deduction
13 Other deductions
14 Self-employment earnings (loss)
15 Credits
16 Foreign transactions
17 Alternative minimum tax (AMT) items
18 Tax-exempt income and nondeductible expenses
19 Distributions
20 Other information

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Cat. No. 11384R Schedule K-1 (Form 1065) 2007

Schedule K-1 (Form 1065) 2007

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

- 1. Ordinary business income (loss). You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows:
Passive loss: Report on Schedule E, line 28, column (g)
Nonpassive loss: Report on Schedule E, line 28, column (d)
Nonpassive income: Report on Schedule E, line 28, column (e)
2. Net rental real estate income (loss)
3. Other net rental income (loss)
4. Guaranteed payments
5. Interest income
6a. Ordinary dividends
6b. Qualified dividends
7. Royalties
8a. Net short-term capital gain (loss)
8b. Net long-term capital gain (loss)
9a. Unrecaptured section 1250 gain
9b. Net section 1231 gain (loss)
11. Other income (loss)
12. Section 179 deduction
13. Other deductions
14. Self-employment earnings (loss)
15. Credits

- Code Report on
K Empowerment zone and renewal community employment credit
L Credit for increasing research activities
M New markets credit
N Credit for employer social security and Medicare taxes
O Backup withholding
P Other credits
16. Foreign transactions
A Name of country or U.S. possession
B Gross income from all sources
C Gross income sourced at partner level
Foreign gross income sourced at partnership level
D Passive category
E General category
F Other
Deductions allocated and apportioned at partner level
G Interest expense
H Other foreign transactions
I Passive category
J General category
K Other
Other information
L Total foreign taxes paid
M Total foreign taxes accrued
N Reduction in taxes available for credit
O Foreign trading gross receipts
P Extraterritorial income exclusion
Q Other foreign transactions
17. Alternative minimum tax (AMT) items
A Post-1986 depreciation adjustment
B Adjusted gain or loss
C Depletion (other than oil & gas)
D Oil, gas, & geothermal—gross income
E Oil, gas, & geothermal—deductions
F Other AMT items
18. Tax-exempt income and nondeductible expenses
A Tax-exempt interest income
B Other tax-exempt income
C Nondeductible expenses
19. Distributions
A Cash and marketable securities
B Other property
20. Other information
A Investment income
B Investment expenses
C Fuel tax credit information
D Qualified rehabilitation expenditures (other than rental real estate)
E Basis of energy property
F Recapture of low-income housing credit (section 42(b))
G Recapture of low-income housing credit (other)
H Recapture of investment credit
I Recapture of other credits
J Look-back interest—completed long-term contracts
K Look-back interest—income forecast method
L Dispositions of property with section 179 deductions
M Recapture of section 179 deduction
N Interest expense for corporate partners
O Section 453(b)(2) information
P Section 453A(2) information
Q Section 1280(b) information
R Interest allocable to production expenditures
S CCF nonqualified withdrawals
T Information needed to figure depletion—oil and gas
U Amortization of reforestation costs
V Unrelated business taxable income
W Other information

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Cat. No. 11384R Schedule K-1 (Form 1065) 2007

Schedule K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

2007

For calendar year 2007, or tax
year beginning _____, 2007
ending _____, 20__

Partner's Share of Income, Deductions,
Credits, etc. See back of form and separate instructions.

Part I Information About the Partnership

A. Partnership's employer identification number
[REDACTED]

B. Partnership's name, address, city, state, and ZIP code
OPTOMETRIC CENTER OF MORENO VALLEY
[REDACTED]
[REDACTED] 92553

C. IRS Center where partnership filed return
OGDEN UTAH

D. Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E. Partner's identifying number
[REDACTED]

F. Partner's name, address, city, state, and ZIP code
REGGIE L. RAGSDALE
[REDACTED]

G. General partner or LLC member-manager Limited partner or other LLC member

H. Domestic partner Foreign partner

I. What type of entity is this partner? INDIVIDUAL

J. Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	[REDACTED]	65 %
Loss	[REDACTED]	[REDACTED] %
Capital	65 %	65 %

K. Partner's share of liabilities at year end:

Qualified nonrecourse financing	\$ 65 %
Recourse	\$ 65 %

L. Partner's capital account analysis:

Beginning capital account	\$
Capital contributed during the year	\$
Current year increase (decrease)	\$
Withdrawals & distributions	\$ [REDACTED]
Ending capital account	\$

Tax basis GAAP Section 704(b) book
 Other (explain)

651107
 Final K-1 Amended K-1 OMB No. 1545-0090

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1 Ordinary business income (loss)	16 Credits
2 Net rental real estate income (loss)	
3 Other net rental income (loss)	16 Foreign transactions
4 Guaranteed payments	
5 Interest income	
6a Ordinary dividends	
6b Qualified dividends	
7 Royalties	
8 Net short-term capital gain (loss)	
9a Net long-term capital gain (loss)	17 Alternative minimum tax (AMT) items
9b Collectibles (28%) gain (loss)	
9c Unrecaptured section 1250 gain	
10 Net section 1231 gain (loss)	18 Tax-exempt income and nondeductible expenses
11 Other income (loss)	
12 Section 179 deduction	19 Distributions
13 Other deductions	20 Other information
14 Self-employment earnings (loss)	

*See attached statement for additional information.

For IRS Use Only

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

	Code	Report on
1. Ordinary business income (loss). You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows:		
Passive loss	Report on	
Passive income	See the Partner's Instructions	
Nonpassive loss	Schedule E, line 28, column (g)	
Nonpassive income	Schedule E, line 28, column (f)	
2. Net rental real estate income (loss)	See the Partner's Instructions	
3. Other net rental income (loss)		
Net income	Schedule E, line 28, column (g)	
Net loss	See the Partner's Instructions	
4. Guaranteed payments	Schedule E, line 28, column (f)	
5. Interest income	Form 1040, line 8a	
6a. Ordinary dividends	Form 1040, line 9a	
6b. Qualified dividends	Form 1040, line 9b	
7. Royalties	Schedule E, line 4	
8. Net short-term capital gain (loss)	Schedule D, line 8, column (f)	
8a. Net long-term capital gain (loss)	Schedule D, line 12, column (f)	
8b. Collectible (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D instructions)	
8c. Unrecaptured section 1250 gain	See the Partner's Instructions	
10. Net section 1231 gain (loss)	See the Partner's Instructions	
11. Other income (loss)		
Code		
A Other portfolio income (loss)	See the Partner's Instructions	
B Involuntary conversions	See the Partner's Instructions	
C Sec. 1256 contracts & straddles	Form 6781, line 1	
D Mining exploration costs recapture	See Pub. 535	
E Cancellation of debt	Form 1040, line 21 or Form 982	
F Other income (loss)	See the Partner's Instructions	
12. Section 179 deduction	See the Partner's Instructions	
13. Other deductions		
A Cash contributions (50%)		
B Cash contributions (30%)		
C Noncash contributions (50%)		
D Noncash contributions (30%)		
E Capital gain property to a 50% organization (30%)	See the Partner's Instructions	
F Capital gain property (20%)		
G Investment interest expense	Form 4952, line 1	
H Deductions—royalty income	Schedule E, line 18	
I Section 58(a)(2) expenditures	See the Partner's Instructions	
J Deductions—portfolio (2% floor)	Schedule A, line 23	
K Deductions—portfolio (other)	Schedule A, line 1 or Form 1040, line 25	
L Amounts paid for medical insurance	See the Partner's Instructions	
M Educational assistance benefits	Form 2441, line 14	
N Dependent care benefits	See the Partner's Instructions	
O Preproductive period expenses	See the Partner's Instructions	
P Commercial revitalization deduction from rental real estate activities	See Form 8582 instructions	
Q Pensions and IRAs	See the Partner's Instructions	
R Restoration expense deduction	See the Partner's Instructions	
S Domestic production activities information	See Form 8903 instructions	
T Qualified production activities income	Form 8903, line 7	
U Employer's Form W-2 wages	Form 8903, line 15	
V Other deductions	See the Partner's Instructions	
14. Self-employment earnings (loss)		
Notes. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		
A Net earnings (loss) from self-employment	Schedule SE, Section A or B	
B Gross farming or fishing income	See the Partner's Instructions	
C Gross non-farm income	See the Partner's Instructions	
15. Credits		
A Low-income housing credit (section 42(b))		
B Low-income housing credit (other)	See the Partner's Instructions	
C Qualified rehabilitation expenditures (rental real estate)		
D Other rental real estate credits		
E Other rental credits		
F Undistributed capital gains credit	Form 1040, line 70; check box a	
G Credit for alcohol used as fuel		
H Work opportunity credit		
I Welfare-to-work credit	See the Partner's Instructions	
J Disabled access credit		
K Empowerment zone and renewal community employment credit	Form 8844, line 3	
L Credit for increasing research activities		
M New markets credit	See the Partner's Instructions	
N Credit for employer social security and Medicare taxes		
O Backup withholding	Form 1040, line 64	
P Other credits	See the Partner's Instructions	
16. Foreign transactions		
A Name of country or U.S. possession		
B Gross income from all sources	Form 1116, Part I	
C Gross income sourced at partner level		
Foreign gross income sourced at partnership level:		
D Passive category		
E General category	Form 1116, Part I	
F Other		
Deductions allocated and apportioned at partner level:		
G Interest expense	Form 1116, Part I	
H Other	Form 1116, Part I	
Deductions allocated and apportioned at partnership level to foreign source income:		
I Passive category		
J General category	Form 1116, Part I	
K Other		
Other information:		
L Total foreign taxes paid	Form 1116, Part II	
M Total foreign taxes accrued	Form 1116, Part II	
N Reduction in taxes available for credit	Form 1116, line 12	
O Foreign trading gross receipts	Form 8873	
P Extraterritorial income exclusion	Form 8873	
Q Other foreign transactions	See the Partner's Instructions	
17. Alternative minimum tax (AMT) items		
A Post-1986 depreciation adjustment		
B Adjusted gain or loss	See the Partner's Instructions and the instructions for Form 6251	
C Depletion (other than oil & gas)		
D Oil, gas, & geothermal—gross income		
E Oil, gas, & geothermal—deductions		
F Other AMT items		
18. Tax-exempt income and nondeductible expenses		
A Tax-exempt interest income	Form 1040, line 8b	
B Other tax-exempt income	See the Partner's Instructions	
C Nondeductible expenses	See the Partner's Instructions	
19. Distributions		
A Cash and marketable securities	See the Partner's Instructions	
B Other property	See the Partner's Instructions	
20. Other information		
A Investment income	Form 4952, line 4e	
B Investment expenses	Form 4852, line 5	
C Fuel tax credit information	Form 4136	
D Qualified rehabilitation expenditures (other than rental real estate)		
E Basis of energy property	See the Partner's Instructions	
F Recapture of low-income housing credit (section 42(b))	Form 8611, line 8	
G Recapture of low-income housing credit (other)	Form 8611, line 8	
H Recapture of investment credit	See Form 4255	
I Recapture of other credits	See the Partner's Instructions	
J Look-back interest—completed long-term contracts	See Form 8697	
K Look-back interest—income bracket method	See Form 8666	
L Dispositions of property with section 179 deductions		
M Recapture of section 179 deduction		
N Interest expense for corporate partners		
O Section 453(f)(3) information		
P Section 453(f)(4) information		
Q Section 1250(b) information		
R Interest allocable to production expenditures	See the Partner's Instructions	
S DCF nonqualified withdrawals		
T Information needed to figure depletion—oil and gas		
U Amortization of restoration costs		
V Unrelated business taxable income		
W Other information		

Form **6252****Installment Sale Income**

OMB No. 1545-0228

2007

Sequence No. 79

Department of the Treasury

Internal Revenue Service

▶ Attach to your tax return.
▶ Use a separate form for each sale or other disposition of property on the installment method.

Name(s) shown on return

Identifying number

OPTOMETRIC CENTER OF MORENO VALLEY

- 1 Description of property ▶ 1/3 INTEREST OF OPTOMETRIC CENTERS
- 2a Date acquired (month, day, year) ▶ 01 / 01 / 93 ▶ Date sold (month, day, year) ▶ 01 / 01 / 06
- 3 Was the property sold to a related party (see instructions) after May 14, 1980? If "No," skip line 4. Yes No
- 4 Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III for the year of sale and the 2 years after the year of sale. Yes No

Part I Gross Profit and Contract Price. Complete this part for the year of sale only.

5 Selling price including mortgages and other debts. Do not include interest whether stated or unstated	5	800000
6 Mortgages, debts, and other liabilities the buyer assumed or took the property subject to (see instructions)	6	0
7 Subtract line 6 from line 5	7	800000
8 Cost or other basis of property sold	8	564787
9 Depreciation allowed or allowable	9	178120
10 Adjusted basis. Subtract line 9 from line 8	10	386667
11 Commissions and other expenses of sale	11	0
12 Income recapture from Form 4797, Part III (see instructions)	12	0
13 Add lines 10, 11, and 12	13	
14 Subtract line 13 from line 5. If zero or less, do not complete the rest of this form (see instructions)	14	413333
15 If the property described on line 1 above was your main home, enter the amount of your excluded gain (see instructions). Otherwise, enter -0-	15	0
16 Gross profit. Subtract line 15 from line 14	16	413333
17 Subtract line 13 from line 6. If zero or less, enter -0-	17	0
18 Contract price. Add line 7 and line 17	18	413333

Part II Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

19 Gross profit percentage. Divide line 16 by line 18. For years after the year of sale, see instructions	19	51.67%
20 If this is the year of sale, enter the amount from line 17. Otherwise, enter -0-	20	0
21 Payments received during year (see instructions). Do not include interest, whether stated or unstated	21	52095
22 Add lines 20 and 21	22	52095
23 Payments received in prior years (see instructions). Do not include interest, whether stated or unstated	23	49027
24 Installment sale income. Multiply line 22 by line 19	24	26916
25 Enter the part of line 24 that is ordinary income under the recapture rules (see instructions)	25	
26 Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797 (see instructions)	26	26916

Part III Related Party Installment Sale Income. Do not complete if you received the final payment this tax year.

27 Name, address, and taxpayer identifying number of related party VINCE K. RAGSDALE 549--55--3030
AND ETHAN CLAYTON 523--61--3219

28 Did the related party reuse or dispose of the property ("second disposition") during this tax year? Yes No

29 If the answer to question 28 is "Yes," complete lines 30 through 37 below unless one of the following conditions is met. Check the box that applies.

- a The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (month, day, year) ▶ / /
- b The first disposition was a sale or exchange of stock to the leasing corporation.
- c The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.
- d The second disposition occurred after the death of the original seller or buyer.
- e It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation (see instructions).

30 Selling price of property sold by related party (see instructions)	30	
31 Enter contract price from line 18 for year of first sale	31	
32 Enter the smaller of line 30 or line 31	32	
33 Total payments received by the end of your 2005 tax year (see instructions)	33	
34 Subtract line 33 from line 32. If zero or less, enter -0-	34	
35 Multiply line 34 by the gross profit percentage on line 19 for year of first sale	35	
36 Enter the part of line 35 that is ordinary income under the recapture rules (see instructions)	36	
37 Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797 (see instructions)	37	

For Paperwork Reduction Act Notice, see page 4.

Cat. No. 13601R

Form 6252 (2006)

Form **4562**

Depreciation and Amortization
(Including Information on Listed Property)

OMB No. 1545-0172

2007
Attachment
Sequence No. 67

Department of the Treasury
Internal Revenue Service

See separate instructions. Attach to your tax return.

Name(s) shown on return: **OPTOMETRIC CENTER OF MORENO VLLY**
Business or activity to which this form relates: **1065**

Identifying number

Part I Election To Expense Certain Property Under Section 179
Note: If you have any listed property, complete Part V before you complete Part I.

Table with 13 rows and 2 columns. Rows include: 1. Maximum amount (\$125,000), 2. Total cost of section 179 property, 3. Threshold cost (\$500,000), 4. Reduction in limitation, 5. Dollar limitation for tax year, 6-13. Description of property, cost, elected cost, listed property, total elected cost, tentative deduction, carryover, business income limitation, section 179 expense deduction, carryover.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

Table with 3 rows: 14. Special allowance for qualified New York Liberty or Gulf Opportunity Zone property, 15. Property subject to section 186(f)(1) election, 16. Other depreciation (including ACRS).

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Table with 1 row: 17. MACRS deductions for assets placed in service in tax years beginning before 2007.

Section B—Assets Placed in Service During 2007 Tax Year Using the General Depreciation System. Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include 19a-f (3-year to 20-year property), g (25-year property), h (Residential rental property), i (Nonresidential real property).

Section C—Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System. Table with 3 columns: (a) Class life, (b) 12-year, (c) 40-year, (d) Method.

Part IV Summary (see instructions). Table with 2 rows: 21. Listed property, 22. Total. Add amounts from lines 12, 14-17, 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return.

For Paperwork Reduction Act Notice, see separate instructions. Call No. 12806N Form 4562 (2007)

Form 4562 (2007) Page 2

Part V Listed Property (include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (e) through (g) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

Table with 10 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost. Rows include 24a, 25, 26, 27, 28, 29.

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table with 6 columns: (a) Vehicle 1, (b) Vehicle 2, (c) Vehicle 3, (d) Vehicle 4, (e) Vehicle 5, (f) Vehicle 6. Rows include 30. Total business/investment miles, 31. Total commuting miles, 32. Total other personal miles, 33. Total miles driven, 34-36. Availability for personal use.

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

Table with 2 columns: Question, Yes/No. Rows include 37. Written policy statement prohibiting personal use, 38. Written policy statement for corporate officers, 39. Personal use of vehicles, 40. Information from employees, 41. Qualified automobile demonstration use.

Part VI Amortization

Table with 6 columns: (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year. Rows include 42. Amortization of costs that begins during your 2007 tax year, 43. Amortization of costs that began before your 2007 tax year, 44. Total.

U.S. GOVERNMENT PRINTING OFFICE: 2007-220-562 Printed on recycled paper Form 4562 (2007)

SCHEDULE D
(Form 1065)

Capital Gains and Losses

OMB No. 1545-0045

2007

Department of the Treasury
Internal Revenue Service

Attach to Form 1065.

Employer identification number

Name of partnership: **OPTOMETRIC CENTER OF MORENO VALLEY**

Part II Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Description of property (Do not check any boxes)	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (do not check any boxes)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					

2 Short-term capital gain from installment sales from Form 8852, line 28 or 37.

3 Short-term capital gain (loss) from like-kind exchanges from Form 8824.

4 Partnership's share of net short-term capital gain (loss), including specially allocated short-term capital gains (losses), from other partnerships, estates, and trusts.

5 Net short-term capital gain or (loss). Combine lines 1 through 4 in column (f). Enter here and on Form 1065, Schedule K, line 5 or 11.

Part III Long-Term Capital Gains and Losses—Assets Held More Than One Year

(a) Description of property (Do not check any boxes)	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (do not check any boxes)
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					

7 Long-term capital gain from installment sales from Form 8852, line 28 or 37.

8 Long-term capital gain (loss) from like-kind exchanges from Form 8824.

9 Partnership's share of net long-term capital gain (loss), including specially allocated long-term capital gains (losses), from other partnerships, estates, and trusts.

10 Capital gain distributions

11 Net long-term capital gain or (loss). Combine lines 6 through 10 in column (f). Enter here and on Form 1065, Schedule K, line 6 or 11.

For Preparation, Publication and Notes, see the Instructions for Form 1065. Cat. No. 112020 Schedule D (Form 1065) 2007

26916

26916

OPTOMETRIC CENTER OF MORENO VALLEY [REDACTED] CY07

OTHER	ADVERTISING PROMOTIONS	1872
	AIRFARE	3122
	AMORTZTN BUS DEVLPMNT	1636
	BANK CHRGS	134
	CELLUAR TELEPHONE	1368
	CHRISTMAS PARTY	336
	COMMUNITY CHEST	75
	COMPANY RETREAT COSTARICA	4566
	COMPUTER EXPENSES	816
	COMPUTER ACCESS	284
	CONTINUING EDUCTION-SEMINAR	1922
	DUES	427
	ENTERTAINMNT/MEALS 1288	644
	LODGING	10090
	LAUNDRY CLEANING	208
	LEGAL PROFSSNL FEES	600
	LICENSES	570
	MANGMNT MARKETING SERVICES	12
	MEMBERSHIPS	90
	MILEAGE RMBSR-MV 8856	4294
	OFFICE EXP	89
	OPTOMETRY DUES NATIONAL&CAL	2366
	POSTAGE	284
	TELEPHONE	156
	TRAVEL @IRS MIN PR DM..	2418
	UNIFORMS	87
	WASTE MNGMNT	144
	TOTAL OTHERS.....	38590

OPTOMETRIC CENTER OF MORENO VALLEY [REDACTED] CY07
JANUARY THRU DECEMBER 31, 2007

GROSS REVENUES DAILY RATE 350/DA*166 DAYS...	58142
COST OF GOODS SOLD: HAITI MISSION	2500
GROSS PROFIT	55642
ORD INC FROM OTHER PARTNERSHIPS	0
FROM 4797.....	0
OTHER INTERST.....	0
TOTAL INCOME.....	55642
DEDUCTIONS	
SALARIES.....	0
GUAR PAYMNTS.....	21000
REPAIRS	428
BAD DEBTS	0
RENT.....	3871
TAXES	100
INTEREST.....	0
DEPRECIATION	0
RETIRMNT	0
EMPLOY BEN	0
OTHER.....	38590
TOTAL DEDUCTIONS.....	63989
NET INCOME.....	-8347
	=====

Schedule A Cost of Goods Sold (see the instructions)

1 Inventory at beginning of year	1	0
2 Purchases less cost of items withdrawn for personal use	2	0
3 Cost of labor	3	0
4 Additional section 263A costs (attach statement)	4	0
5 Other costs (attach statement) HAITI MISSION	5	2500
6 Total. Add lines 1 through 5	6	2500
7 Inventory at end of year	7	0
8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	2500

9e Check all methods used for valuing closing inventory:

- (i) Cost as described in Regulations section 1.471-3
 (ii) Lower of cost or market as described in Regulations section 1.471-4
 (iii) Other (specify method used and attach explanation) _____
- b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c)
 c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)
 d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? Yes No
 e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
 If "Yes," attach explanation.

Schedule B Other Information

- 1 What type of entity is filing this return? Check the applicable box:
- | | | | |
|--|---|-----|----|
| a <input checked="" type="checkbox"/> Domestic general partnership | b <input type="checkbox"/> Domestic limited partnership | Yes | No |
| c <input type="checkbox"/> Domestic limited liability company | d <input type="checkbox"/> Domestic limited liability partnership | | |
| e <input type="checkbox"/> Foreign partnership | f <input type="checkbox"/> Other | | |
- 2 Are any partners in this partnership also partnerships? X
- 3 During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations section 301.7701-2 and 301.7701-3? If "Yes," see instructions for required attachment X
- 4 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(E)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details. N/A
- 5 Does this partnership meet all three of the following requirements?
 a The partnership's total receipts for the tax year were less than \$250,000;
 b The partnership's total assets at the end of the tax year were less than \$600,000; and
 c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return X
- If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; item F on page 1 of Form 1065; or item L on Schedule K-1.
- 6 Does this partnership have any foreign partners? If "Yes," the partnership may have to file Forms 8804, 8805 and 8813. See the instructions. X
- 7 Is this partnership a publicly traded partnership as defined in section 469(b)(2)? X
- 8 Has this partnership filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction? X
- 9 At any time during calendar year 2007, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. X
- 10 During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See the instructions. X
- 11 Was there a distribution of property or a transfer (for example, by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership in the instructions. X
- 12 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return

Designation of Tax Matters Partner (see the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP	REGGIE L. RAGSDALE	Identifying number of TMP	
Address of designated TMP	[REDACTED]		

*** ALREADY A SEC 6231 A (1) (B) AS DEFINED AND INTERPRETED IN PUB 583

COPY

Department of the Treasury Internal Revenue Service

For calendar year 2007, or tax year beginning 2007, ending 2007

2007

A Principal business activity Use the IRS label. Other-wise, print or type: **OPTOMETRY** Name of partnership: **OPTOMETRIC CENTER OF MORENO VALLEY**

B Principal product or service: **SERVICE** D Employer identification number: [REDACTED]

C Business code number: **812112** E Date business started: **010191**

F Total assets (see the instructions): **\$ NOT REQUIRED**

- G Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return
- H Check accounting method: (1) Cash (2) Accrual (3) Other (specify) _____
- I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year: **TWO**
- J Check if Schedule M-3 attached:

Caution. Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

1a Gross receipts or sales	1a	58142
b Less returns and allowances	1b	
2 Cost of goods sold (Schedule A, line 8)	2	2500
3 Gross profit. Subtract line 2 from line 1c.	3	55642
4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement).	4	0
5 Net farm profit (loss) (attach Schedule F (Form 1040))	5	0
6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6	0
7 Other income (loss) (attach statement)	7	0
8 Total income (loss). Combine lines 3 through 7	8	55642
9 Salaries and wages (other than to partners) (less employment credits)	9	0
10 Guaranteed payments to partners	10	21000
11 Repairs and maintenance	11	428
12 Bad debts	12	0
13 Rent	13	3871
14 Taxes and licenses	14	100
15 Interest	15	0
16a Depreciation (if required, attach Form 4562)	16a	0
b Less depreciation reported on Schedule A and elsewhere on return	16b	
17 Depletion (Do not deduct oil and gas depletion.)	17	0
18 Retirement plans, etc.	18	0
19 Employee benefit programs	19	0
20 Other deductions (attach statement)	20	38590
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20	21	63989
22 Ordinary business income (loss). Subtract line 21 from line 8	22	18347

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

Sign Here: **REGGIE L. RAGSDALE** Signature of general partner or limited liability company member manager Date: **042208**

Paid Preparer's Use Only: **M. P. UMBERGER** Signature Date: **042208** Check if self-employed Preparer's SSN or PTIN: [REDACTED]

REGGIE L. RAGSDALE SANTA ROSA CONSTRUCTION

Table 1 — Partner's share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the partners):

Interest	\$ _____	Sec. 1231 Gains/Losses	\$ _____	Capital Gains/Losses	\$ _____
Dividends	\$ _____	Royalties	\$ _____	Other	\$ _____

FOR USE BY APPORTIONING UNITARY PARTNERS ONLY — See instructions.

Table 2 — Partner's share of distributive items.

- A. Partner's share of the partnership's business income. See instructions. \$ _____
- B. Partner's share of nonbusiness income from real and tangible personal property sourced or allocable to California.

Capital Gains/Losses	\$ _____	Reps/Royalties	\$ _____
Sec. 1231 Gains/Losses	\$ _____	Other	\$ _____

C. Partner's distributive share of the partnership's property, payroll, and sales:

Factors	Total within and outside California	Total within California
Property: Beginning	\$ _____	\$ _____
Ending	\$ _____	\$ _____
Annual Rent Expense	\$ _____	\$ _____
Payroll	\$ _____	\$ _____
Sales	\$ _____	\$ _____

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits	
Deductions	12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17207.2, 17207.6 and 17208)					
	13 a Charitable contributions					
	b Investment interest expense					
	c 1 Total expenditures to which an IRC Section 59(e) election may apply					
	2 Type of expenditures					
Credits	d Deductions related to portfolio income					
	e Other deductions. Attach schedule					
	15 a Total withholding (equals a gross on Form 592-B if calendar year partnership)					
	b Low-income housing credit					
	c Credits other than line 15b related to rental real estate activities					
	d Credits related to other rental activities					
	e Nonconforming non-resident partner's tax paid by partnership					
	f Other credits — Attach required schedules or statements					
	Alternative Minimum Tax (AMT) Items	17 a Depreciation adjustment on property placed in service after 1986				
		b Adjusted gain or loss				
c Depletion (other than oil & gas)						
d Gross income from oil, gas, and geothermal properties						
e Deductions allocable to oil, gas, and geothermal properties						
f Other alternative minimum tax items						
Tax-Exempt Income and Nonrefundable Expenses	18 a Tax-exempt interest income					
	b Other tax-exempt income					
	c Nonrefundable expenses					
Distributions	19 a Distributions of money (cash and marketable securities)					
	b Distributions of property other than money					
Other Information	20 a Investment income					
	b Investment expenses					
	c Other information. See instructions					

TAXABLE YEAR **2007** **Partner's Share of Income, Deductions, Credits, etc.** CALIFORNIA SCHEDULE **K-1 (565)**

For calendar year 2007 or fiscal year beginning month _____ day _____ year _____ and ending month _____ day _____ year _____

Partner's identifying number _____ Partnership's FEIN _____

Partner's name, address, city, state, and ZIP Code _____ Secretary of State file number _____

Partner's name, address, city, state, and ZIP Code _____ Partnership's name, address, city, state, and ZIP Code _____

REGGIE L. RAGSDALE **SANTA ROSA CONSTRUCTION**

A Is this partner a: (1) general partner; or (2) limited partner?

B What type of entity is this partner? •

(1) Individual (8) General Partnership (9) IRAN/Keogh/SEP
 (2) S Corporation (10) Limited Partnership (11) Exempt Organization
 (3) Estate/Trust (7) LLP (12) Disregarded Entity
 (4) C Corporation (6) LLC

C Is this partner a foreign partner? Yes No

D Enter partner's percentage (without regard to special allocations) of:

(i) Before decrease or termination (ii) End of year

Profit sharing: 50% % 50% %
 Loss sharing: 50% % 50% %
 Ownership of capital: 50% % 50% %

E Partner's share of liabilities:

Nonrecourse: \$ 150k
 Qualified nonrecourse financing: \$ 50k
 Other: \$ 50k

F Tax shelter registration number _____

(1) Check here if this is a publicly traded partnership as defined in IRC Section 469(j)(2)
 (2) Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1)

H Check here if this is: •

(1) A final Schedule K-1 (565) (2) An amended Schedule K-1 (565)

Is this partner a nonresident of California? Yes No

J Analysis of partner's capital account: Check the box • (1) Tax Basis (2) GAAP (3) Section 704(b) Book (4) Other (explain) _____

Capital account at beginning of year (a) Capital contributed during year (b) Partner's share of line 5, line 4, and line 7, Form 565, Schedule M-2 (c) Withdrawals and distributions (d) Capital account at end of year, combine column (a) through column (d) (e)

Caution: Refer to Partner's Instructions for Schedule K-1 (565) before entering information from this schedule on your California return.

Distributive share items	(a)	(b)	(c)	(d)	(e)
	Amounts from federal Schedule K-1 (1065)	California adjustments	Total amounts using California law, Combine col. (b) and col. (c)	California source amounts and credits	
1 Ordinary income (loss) from trade or business activities	(23524)		(23524)	(23524)	
2 Net income (loss) from rental real estate activities					
3 Net income (loss) from other rental activities					
4 Guaranteed payments to partners					
5 Interest income					
6 Dividends					
7 Royalties					
8 Net short-term capital gain (loss)					
9 Net long-term capital gain (loss)					
10 a Total Gain under IRC Section 1231 (other than due to casualty or theft)					
b Total Loss under IRC Section 1231 (other than due to casualty or theft)					
11 a Other portfolio income (loss). Attach schedule					
b Total other income. Attach schedule					
c Total other loss. Attach schedule					

Schedule A Cost of Goods Sold

1 Inventory at beginning of year	1	00
2 Purchases less cost of items withdrawn for personal use	2	00
3 Cost of labor	3	00
4 Additional IRC Section 263A costs. Attach schedule	4	00
5 Other costs. Attach schedule	5	00
6 Total. Add line 1 through line 5	6	00
7 Inventory at end of year	7	00
8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on Side 1, line 2.	8	00

9 Check all methods used for valuing closing inventory:

(1) Cost (2) Lower of cost or market as described in Treas. Reg. Section 1.471-4 (3) Write down of "subnormal" goods as described in Treas. Reg. Section 1.471-2(c) (4) Other. Specify method used and attach explanation _____

10 Check this box if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970

11 Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the partnership? Yes No

12 Was there any change (other than for IRC Section 263A purposes) in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

J What type of entity is filing this return? Check one only:

• 1 General partnership **THIS IS A GENERAL PARTNERSHIP**
 • 2 Limited partnership required to pay annual tax (is doing business in California, is registered with SOS, or is organized in California)
 • 3 Limited partnership, limited liability company (LLC), or other entity NOT required to pay annual tax (is not doing business in California, is not registered with SOS, and is not organized in California)
 • 4 REMIC
 • 5 Limited liability partnership
 • 6 Other (See instructions)

K Enter the maximum number of partners in this partnership at any time during the year. (Be sure to attach a California Schedule K-1 (565) for each partner): _____

	TWO	
	Yes	No
L Is any partner of the partnership related by blood or marriage to any other partner?	X	
M Is any partner of the partnership a trust for the benefit of any person related by blood or marriage to any other partner?		X
N Are any partners in this partnership also partnerships or LLCs?		X
O Does the partnership meet all the requirements shown in the instructions for Question O?		X
P Is this partnership a partner in another partnership or LLC? If "Yes," attach a statement with the name(s) and FEIN(s) of each entity		X
Q Was there a distribution of property or transfer (for example by sale or death) of a partnership interest during the taxable year? If "Yes," see the federal instructions concerning an election to adjust the basis of the partnership's assets under IRC Section 754		X
R Is this partnership a publicly traded partnership as defined in IRC Section 469(k)(2)?		X
S Is this partnership under audit by the IRS or has it been audited in a prior year?		X
T (1) For this taxable year, was there a change in control or majority ownership for this partnership (or any legal entity in which it holds a controlling or majority interest) that owned or leased real property in California?		X
(2) For this taxable year, did this partnership (or any legal entity in which it holds a controlling or majority interest) acquire control or majority ownership of any other legal entity that owned or leased real property in California?		X
(3) If this partnership (or any legal entity in which it holds a controlling or majority interest) owned or leased real property in California, has more than 50 percent of the partnership's interest cumulatively transferred in one or more transactions since March 1, 1975, which was not reported on a previous year's tax return?		X
(Penalties May Apply - See Instructions.)		X
U (1) Does the partnership have any foreign nonresident partners?		X
(2) Does the partnership have any nonresident partners?		X
(3) Were Form 582, Form 592-A, and Form 592-B filed for these partners?		X
V Is this an investment partnership? See General Information D, Investment Partnerships, in the instructions		X
W Is the partnership apportioning income to California using Schedule R?		X
X Has the partnership included a Reportable Transaction or Listed Transaction with this return? (See instructions for definitions.) If "Yes," complete and attach Form 8888 for each transaction		X
Y Did this partnership file the Federal Schedule M-3 (Form 1065)?		X
Z Is this partnership a direct owner of an entity that filed a federal Schedule M-3?		X
AA Does this partnership have a beneficial interest in a trust or is it a grantor of a trust? Attach name, address, and FEIN		X

2007 Partnership Return of Income

565

For calendar year 2007 or fiscal year beginning month day year and ending month day year

Header information including partnership name (SANTA ROSA CONSTRUCTION), principal product (CONSTRCTN), activity code (235900), and accounting method (CASH).

Caution: Include only trade or business income and expenses on line 1a through line 22 below. See the instructions for more information.

Main table with 32 rows for income, deductions, and payments. Includes sub-sections for Income, Deductions, and Amount Due or Refund.

Signature section for preparer (M.P. UMBERGER) and partner (REGGIE J. RAGSDALE), including dates and firm name (HI-DESERT DULCINEA).

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16f. **(23649)**

2 Analysis by partner type:

(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other
	THREE				

a General partners

b Limited partners

Schedule L Balance Sheets per Books

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach statement)				
7 Mortgage and real estate loans				
8 Other investments (attach statement)				
9a Buildings and other depreciable assets				
b Less accumulated depreciation				
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach statement)				
14 Total assets				
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach statement)				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach statement)				
21 Partners' capital accounts				
22 Total liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1 Net income (loss) per books	6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):
2 Income included on Schedules K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):	a Tax-exempt interest \$
3 Guaranteed payments (other than health insurance)	7 Deductions included on Schedule K, lines 1 through 13d, and 16f, not charged against book income this year (itemize):
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16f (itemize):	a Depreciation \$
a Depreciation \$	8 Add lines 6 and 7
b Travel and entertainment \$	9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5
5 Add lines 1 through 4	

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year	6 Distributions: a Cash
2 Capital contributed: a Cash	b Property
b Property	7 Other decreases (itemize):
3 Net income (loss) per books	8 Add lines 6 and 7
4 Other increases (itemize):	9 Balance at end of year. Subtract line 8 from line 5
5 Add lines 1 through 4	

Schedule K Partners' Distributive Share Items

	Total amount
1 Ordinary business income (loss) (page 1, line 22)	1 (47049)
2 Net rental real estate income (loss) (attach Form 6825)	2
3a Other gross rental income (loss)	3a
b Expenses from other rental activities (attach statement)	3b
c Other net rental income (loss). Subtract line 3b from line 3a	3c
4 Guaranteed payments	4 23400
5 Interest income	5
6 Dividends: a Ordinary dividends	6a
b Qualified dividends	6b
7 Royalties	7
8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a
b Collectibles (28%) gain (loss)	9b
c Unrecaptured section 1250 gain (attach statement)	9c
10 Net section 1231 gain (loss) (attach Form 4797)	10
11 Other income (loss) (see instructions) Type >	11
Deductions	
12 Section 179 deduction (attach Form 4562)	12
13a Contributions	13a
b Investment interest expense	13b
c Section 58(e)(2) expenditures: (1) Type > (2) Amount >	13c
d Other deductions (see instructions) Type >	13d
14a Net earnings (loss) from self-employment	14a (23649)
14b Gross farming or fishing income	14b
c Gross nonfarm income	14c
Credits	
15a Low-income housing credit (section 42(i)(5))	15a
b Low-income housing credit (other)	15b
c Qualified rehabilitation expenditures (rental real estate) (attach Form 3458)	15c
d Other rental real estate credits (see instructions) Type >	15d
e Other rental credits (see instructions) Type >	15e
f Other credits (see instructions) Type >	15f
Foreign Transactions	
16a Name of country or U.S. possession >	16a
b Gross income from all sources	16b
c Gross income sourced at partner level	16c
Foreign gross income sourced at partnership level	
d Passive category > General category > f Other >	16f
Deductions allocated and apportioned at partner level	
e Interest expense > h Other >	16h
Deductions allocated and apportioned at partnership level to foreign source income	
i Passive category > j General category > k Other >	16k
l Total foreign taxes (check one): Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	16l
m Reduction in taxes available for credit (attach statement)	16m
n Other foreign tax information (attach statement)	
Alternative Minimum Tax (AMT) Items	
17a Post-1996 depreciation adjustment	17a
b Adjusted gain or loss	17b
c Depletion (other than oil and gas)	17c
d Oil, gas, and geothermal properties—gross income	17d
e Oil, gas, and geothermal properties—deductions	17e
f Other AMT items (attach statement)	17f
Other Information	
18a Tax-exempt interest income	18a
b Other tax-exempt income	18b
c Nondeductible expenses	18c
19a Distributions of cash and marketable securities	19a
b Distributions of other property	19b
20a Investment income	20a
b Investment expenses	20b
c Other items and amounts (attach statement)	

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Deductions	12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6 and 17298)				
	13 a Charitable contributions				
	b Investment interest expense				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply				
	2 Type of expenditures				
	d Deductions related to portfolio income				
Credits	e Other deductions. Attach schedule				
	15 a Total withholding (equals amount on Form 592-B if calendar year partnership)				
	b Low-income housing credit				
	c Credits other than line 15b related to rental real estate activities				
	d Credits related to other rental activities				
	e Nonconsenting nonresident partner's tax paid by partnership				
	f Other credits - Attach required schedules or statements				
Alternative Minimum Tax (AMT) Items	17 a Depreciation adjustment on property placed in service after 1986				
	b Adjusted gain or loss				
	c Depletion (other than oil & gas)				
	d Gross income from oil, gas, and geothermal properties				
	e Deductions allocable to oil, gas, and geothermal properties				
	f Other alternative minimum tax items				
Tax-Exempt Income and Nondeductible Expenses	18 a Tax-exempt interest income				
	b Other tax-exempt income				
	c Nondeductible expenses				
Distributions	19 a Distributions of money (cash and marketable securities)				
	b Distributions of property other than money				
	20 a Investment income				
Other Information	b Investment expenses				
	c Other information. See instructions				

TAXABLE YEAR **2007** Partner's Share of Income, Deductions, Credits, etc. CALIFORNIA SCHEDULE **K-1 (565)**

For calendar year 2007 or fiscal year beginning month day year and ending month day year
 Partner's identifying number [redacted] Partnership's FEIN [redacted]
 Partner's name, address, city, state, and ZIP Code [redacted] Secretary of State file number [redacted]
 Partnership's name, address, city, state, and ZIP Code OPTOMETRIC CENTER OF MORENO VALLEY [redacted]

REGGIE L. RAGSDALE [redacted]

A Is this partner a: (1) general partner; or (2) limited partner?
 B What type of entity is this partner?
 (1) Individual (5) General Partnership (8) IRA/Keogh/SEP
 (2) S Corporation (6) Limited Partnership (10) Exempt Organization
 (3) Estate/trust (7) LLP (11) Disregarded Entity
 (4) C Corporation (9) LLC
 C Is this partner a foreign partner? Yes No
 D Enter partner's percentage (without regard to special allocations) of:
 (i) Before decrease or termination (ii) End of year
 Profit sharing: 65% 65%
 Loss sharing: 65% 65%
 Ownership of capital: 65% 65%

E Partner's share of liabilities:
 Nonrecourse \$ 65 %
 Qualified nonrecourse financing \$ 65 %
 Other \$ 65 %
 F Tax shelter registration number
 G (1) Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2)
 (2) Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1)
 H Check here if this is: (1) A final Schedule K-1 (565) (2) An amended Schedule K-1 (565)
 Is this partner a nonresident of California? Yes No

J Analysis of partner's capital account: Check the box (1) Tax Basis (2) GAAP (3) Section 704(b) Book (4) Other (explain)

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of line 3, line 4, and line 7, Form 565, Schedule K-1	(d) Withdrawals and distributions	(e) Capital account at end of year. Combine column (a) through column (c)

Caution: Refer to Partner's Instructions for Schedule K-1 (565) before entering information from this schedule on your California return.

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
1 Ordinary income (loss) from trade or business activities		(5426)		(5426)	(5426)
2 Net income (loss) from rental real estate activities					
3 Net income (loss) from other rental activities					
4 Guaranteed payments to partners		21000		21000	21000
5 Interest income		22523		22523	22523
6 Dividends					
7 Royalties					
8 Net short-term capital gain (loss)					
9 Net long-term capital gain (loss)		17495		17495	17495
10 a Total Gain under IRC Section 1231 (other than due to casualty or theft)					
b Total Loss under IRC Section 1231 (other than due to casualty or theft)					
11 a Other portfolio income (loss). Attach schedule					
b Total other income. Attach schedule					
c Total other loss. Attach schedule					

REGGIE L. RAGSDALE OPTOMETRIC CENTER OF MORENO VALLEY

Table 1 — Partner's share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the partners):

Interest \$ _____ Sec. 1231 Gains/Losses \$ _____ Capital Gains/Losses \$ _____
 Dividends \$ _____ Royalties \$ _____ Other \$ _____

FOR USE BY APPORTIONING UNITARY PARTNERS ONLY — See instructions.

Table 2 — Partner's share of distributive items.

- A. Partner's share of the partnership's business income. See instructions. \$ _____
 B. Partner's share of nonbusiness income from real and tangible personal property sourced or allocable to California.

Capital Gains/Losses \$ _____ Rents/Royalties \$ _____
 Sec. 1231 Gains/Losses \$ _____ Other \$ _____

C. Partner's distributive share of the partnership's property, payroll, and sales:

Factors	Total within and outside California	Total within California
Property: Beginning	\$ _____	\$ _____
Ending	\$ _____	\$ _____
Annual Rent Expense	\$ _____	\$ _____
Payroll	\$ _____	\$ _____
Sales	\$ _____	\$ _____

Schedule K-1
(Form 1065)

2007

Department of the Treasury
Internal Revenue Service

For calendar year 2007, or tax
year beginning _____, 2007
ending _____

**Partner's Share of Income, Deductions,
Credits, etc.**
▶ See separate instructions.

Information About the Partnership

A Partnership's employer identification number
[REDACTED]

B Partnership's name, address, city, state, and ZIP code
Oak Creek Properties LLC
[REDACTED]

C IRS Center where partnership filed return
Ogden, UT

D Check if this is a publicly traded partnership (PTP)

Information About the Partner

E Partner's identifying number
[REDACTED]

F Partner's name, address, city, state, and ZIP code
Reggie & Jacque Ragsdale
[REDACTED]

G General partner or LLC member-manager Limited partner or other LLC member

H Domestic partner Foreign partner

I What type of entity is this partner? **Individual**

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	25 %	25 %
Loss	25 %	25 %
Capital	25 %	25 %

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	227,699.
Recourse	\$	3,411.

L Partner's capital account analysis:

Beginning capital account	\$	25,759.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	17,697.
Withdrawals and distributions	\$	(14,243.)
Ending capital account	\$	29,213.

Tax basis GAAP Section 704(b) book
 Other (explain)

Final K-1 Amended K-1 OMB No. 1545-0099

651107

**Partner's Share of Current Year Income,
Deductions, Credits, and Other Items**

1	Ordinary business income (loss)	15	Credits
	-200.		
2	Net rental real estate income (loss)		
	17,897.		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
12	Section 179 deduction	A	Distributions 14,243.
13	Other deductions		Other information
14	Self-employment earnings (loss)	A	
	-200.		

*See attached statement for additional information.

FOR INFORMATION USE ONLY

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

	Report on	Code	Report on	
1 Ordinary business income (loss). You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows:				
Passive loss	See the Partner's Instructions	K Employment zone and renewal community employment credit	Form 8844, line 3	
Passive income	Schedule E, line 28, column (a)	L Credit for increasing research activities	See the Partner's Instructions	
Nonpassive loss	Schedule E, line 28, column (b)	M New markets credit		
Nonpassive income	Schedule E, line 28, column (c)	N Credit for employer social security and Medicare taxes		
2 Net rental real estate income (loss)	See the Partner's Instructions	O Backup withholding	Form 1040, line 54	
3 Other net rental income (loss)	See the Partner's Instructions	P Other credits	See the Partner's Instructions	
4 Net income	Schedule E, line 28, column (d)	16 Foreign transactions		
5 Net loss	See the Partner's Instructions	A Name of country or U.S. possession	Form 1116, Part I	
6 Guaranteed payments	Schedule E, line 28, column (d)	B Gross income from all sources		
7 Interest income	Form 1040, line 8a	C Gross income sourced at partner level		
8a Ordinary dividends	Form 1040, line 9a	Foreign gross income sourced at partnership level:		
8b Qualified dividends	Form 1040, line 9b	D Passive category	Form 1116, Part I	
7 Royalties	Schedule E, line 4	E General category		
8 Net short-term capital gains (loss)	Schedule D, line 3, column (f)	F Other		
9a Net long-term capital gains (loss)	Schedule D, line 12, column (f)	Deductions allocated and apportioned at partner level:		
9b Capital gains (28% gain) (loss)	28% Rate Gain Worksheet, line 4 (Schedule D instructions)	G Interest expense	Form 1116, Part I	
9c Unrecaptured section 1250 gain	See the Partner's Instructions	H Other	Form 1116, Part I	
10 Net section 1231 gains (loss)	See the Partner's Instructions	Deductions allocated and apportioned at partnership level to foreign source income:		
11 Other income (loss)	See the Partner's Instructions	I Passive category	Form 1116, Part I	
Code		J General category		
A Other portfolio income (loss)	See the Partner's Instructions	K Other		
B Involuntary conversions	See the Partner's Instructions	Other information:		
C Section 1256 contracts and straddles	Form 6791, line 1	L Total foreign taxes paid	Form 1116, Part II	
D Mining exploration costs recapture	See Pub 535	M Total foreign taxes accrued	Form 1116, Part II	
E Cancellation of debt	Form 1040, line 21 or Form 982	N Reduction in taxes available for credit	Form 1116, line 12	
F Other income (loss)	See the Partner's Instructions	O Foreign trading gross receipts	Form 8873	
12 Section 179 deduction	See the Partner's Instructions	P Extraterritorial income exclusion	Form 8873	
13 Other deductions	See the Partner's Instructions	Q Other foreign transactions	See the Partner's Instructions	
A Cash contributions (50%)	See the Partner's Instructions	17 Alternative minimum tax (AMT) items:		
B Cash contributions (30%)				
C Noncash contributions (50%)				
D Noncash contributions (30%)				
E Capital gain property to a 50% organization (37%)		Form 4952, line 1	A Post-1986 depreciation adjustment	See the Partner's Instructions and the Instructions for Form 8251
F Capital gain property (20%)		Schedule E, line 18	B Adjusted gain or loss	
G Investment interest expense	See the Partner's Instructions	C Depletion (other than oil & gas)		
H Deductions — royalty income	Schedule A, line 23	D Oil, gas, & geothermal — gross income		
I Section 59(a)(2) expenditures	Schedule A, line 28	E Oil, gas, & geothermal — deductions		
J Deductions — portfolio (2% floor)	Schedule A, line 1 or Form 1040, line 29	F Other AMT items		
K Deductions — portfolio (other)	See the Partner's Instructions	18 Tax-exempt income and nondeductible expenses:		
L Amounts paid for medical insurance	Form 2441, line 14	A Tax-exempt interest income	Form 1040, line 8b	
M Educational assistance benefits	See the Partner's Instructions	B Other tax-exempt income	See the Partner's Instructions	
N Dependent care benefits	See the Partner's Instructions	C Nondeductible expenses	See the Partner's Instructions	
O Reproductive period expenses	See the Partner's Instructions	19 Investments:		
P Commercial rehabilitation deduction from rental real estate activities	See Form 8882 instructions	A Cash and marketable securities	See the Partner's Instructions	
Q Pensions and IRAs	See the Partner's Instructions	B Other property	See the Partner's Instructions	
R Restoration expense deduction	See the Partner's Instructions	20 Other information:		
S Domestic production activities information	See Form 9802 instructions	A Investment income	Form 4952, line 4a	
T Qualified production activities income	Form 8003, line 7	B Investment expenses	Form 4952, line 5	
U Employer's W-2 wages	Form 8003, line 15	C Fuel tax credit information	Form 4136	
V Other deductions	See the Partner's Instructions	D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions	
14 Self-employment earnings (loss)		E Basis of energy property	See the Partner's Instructions	
Code		F Recapture of low-income housing credit (section 420(b))	Form 8811, line 8	
A Net earnings (loss) from self-employment	Schedule SE, Section A or B	G Recapture of low-income housing credit (other)	Form 8811, line 8	
B Gross farming or fishing income	See the Partner's Instructions	H Recapture of investment credit	Form 4295	
C Gross non-farm income	See the Partner's Instructions	I Recapture of other credits	See the Partner's Instructions	
15 Credits:		J Look-back interest — completed long-term contracts	See Form 8597	
A Low-income housing credit (section 420(b))	See the Partner's Instructions	K Look-back interest — income lowest method	See Form 8856	
B Low-income housing credit (other)				
C Qualified rehabilitation expenditures (rental real estate)				
D Other rental real estate credits				
E Other rental credits		Form 1040, line 70; check box a		
F Undistributed capital gains credit				
G Credit for alcohol used as fuel				
H Work opportunity credit				
I Welfare-to-work credit		See the Partner's Instructions		
J Disabled access credit				
		L Dispositions of property with section 179 deductions	See the Partner's Instructions	
		M Recapture of section 179 deduction		
		N Interest expense for corporate partners		
		O Section 453(f)(2) information		
		P Section 453A(c) information		
		Q Section 1260(b) information		
		R Interest allocable to production expenditures		
		S COF nonqualified withdrawals		
		T Information needed to figure depletion — oil and gas		
		U Amortization of reforestation costs		
		V Unrelated business taxable income		
		W Other information		

TAXABLE YEAR **2007** Member's Share of Income, Deductions, Credits, etc.

CALIFORNIA SCHEDULE **K-1 (568)**

For calendar year 2007 or fiscal year beginning month day year 2007, and ending month day year

Member's identifying number **██████████** LLC's FEN **██████████**
 Member's name, address, state, and ZIP Code **██████████** Secretary of State file number **199921710057**
 LLC's name, address, state, and ZIP Code **██████████**

Reggie & Jacque Ragsdale

Oak Creek Properties LLC

A What type of entity is this member? ●

(1) Individual (5) General Partnership (9) IRA/Keogh/SEP
 (2) S Corporation (6) Limited Partnership (10) Example Organization
 (3) Estate/Trust (7) LLP (11) Entity
 (4) C Corporation (8) LLC

B Is this member a foreign member? ● Yes No

C Enter member's percentage (without regard to special allocations) of:

(i) Before decrease or termination ● Yes No
 (ii) End of year

Profit sharing ● 25.0000 %
 Loss sharing ● 25.0000 %
 Ownership of capital ● 25.0000 %

D Member's share of liabilities:

Nonrecourse ● \$
 Qualified nonrecourse financing ● \$ **227,699.**
 Other ● \$ **3,411.**

E Tax shelter registration number ●

F (1) Check here if this is a publicly traded partnership as defined in IRC Section 469(b)(2)
 (2) Check here if this is an investment partnership (R&TC Sections 179E5 and 23040.1)

G Check here if this is: ●
 (1) A final Schedule K-1 (568) (2) An amended Schedule K-1 (568)

H Is this member a nonresident of California? ● Yes ● No

I Analysis of member's capital account: Check the box ● (1) Tax Basis (2) GAAP (3) Sec 704(b) Blk (4) Other (explain)

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Member's share of line 3, line 4, and line 7 Form 568, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year, combine column (a) through column (d)
25,759.		17,697.	14,243.	29,213.

Caution: Refer to Member's Instructions for Schedule K-1 (568) before entering information from this schedule on your California return.

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col (b) and col (c) where applicable	(e) California source amounts and credits
Income (Loss)					
1 Ordinary income (loss) from trade or business activities		-200.	200.		
2 Net income (loss) from rental real estate activities		17,897.		17,897.	
3 Net income (loss) from other rental activities					
4 Guaranteed payments to members					
5 Interest income					
6 Dividends					
7 Royalties					
8 Net short-term capital gain (loss)					
9 Net long-term capital gain (loss)					
10 a Total Gain under IRC Section 1231 (other than due to casualty or theft)					
b Total Loss under IRC Section 1231 (other than due to casualty or theft)					
11 a Other portfolio income (loss). Attach schedule					
b Total other income. Attach schedule					
c Total other loss. Attach schedule					

Member 2

Oak Creek Properties LLC

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine column (b) and column (c)	(e) California source amounts and credits
Deductions	12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6 and 17268)				
	13a Charitable contributions				
	b Investment interest expense				
	c 1 Total expenditures to which an IRC Section 99(e) election may apply				
	2 Type of expenditures				
	d Deductions related to portfolio income. Attach schedule				
Credits	e Other deductions. Attach schedule				
	15a Total withholding (equals amt on Form 592-B if cal year LLC)				
	b Low-income housing credit				
	c Credits other than line 15b related to rental real estate activities. Attach schedule				
	d Credits related to other rental activities. Attach schedule				
	e Nonconsenting member's tax paid by LLC				
Adjustments and (tax AMT) preference items	f Other credits. Attach required schedules or statements				
	17a Depreciation adjustment on property placed in service after 1986				
	b Adjusted gain or loss				
	c Depletion (other than oil and gas)				
	d Gross income from oil, gas, and geothermal properties				
	e Deductions allocable to oil, gas, and geothermal properties				
Tax-exempt income and nondeductible expenses	f Other alternative minimum tax items. Attach schedule				
	18a Tax-exempt interest income				
	b Other tax-exempt income				
Distributions	c Nondeductible expenses		200.	200.	
	19a Distributions of money (cash and marketable securities)	14,243.		14,243.	
Other information	b Distributions of property other than money				
	20a Investment income				
	b Investment expenses				
	c Other information			Statement 2	

Member 2: Reggie & Jacque Ragsdale 557-27-5285

Oak Creek Properties LLC

Table 1 - Member's share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the member):

Interest	\$	Sec 1231 Gains/Losses	\$	Capital Gains/Losses	\$
Dividends	\$	Royalties	\$	Other	\$

FOR USE BY APPORTIONING UNITARY MEMBERS ONLY - See instructions.

Table 2 - Member's share of distributive items.

A Member's share of the LLC's business income. See instructions \$

B Member's share of nonbusiness income from real and tangible personal property sourced or allocable to California.

Capital Gains/Losses	\$	Rents/Royalties	\$
Section 1231 Gains/Losses	\$	Other	\$

Other Member Information

C Member's distributive share of the LLC's property, payroll, and sales:

Factors	Total within and outside California	Total within California
Property: Beginning	\$	\$
Ending	\$	\$
Annual Rent Expense	\$	\$
Payroll	\$	\$
Sales	\$	\$

Member 2: Reggie & Jacque Ragsdale



Line 20c - Column d
Other Information

Proportionate Int. of Aggregate Gross Receipts.....	\$	60,832.
Total	\$	<u>60,832.</u>

U.S. Return of Partnership Income

For calendar year 2009, or tax year beginning _____, 2009, ending _____, 20

COPY
ONE 10-1065-0009
2009

▶ See separate instructions.

A Principal business activity CONSTRUCTION	Use the IRS label. Otherwise, print or type.	Name of partnership C/O REGGIE RAGSDALE SANTA ROSA CONSTRUCTION	D Employer identification number [REDACTED]
B Principal product or service SERVICE		Number, street, and room or suite no. If a P.O. box, see the instructions. [REDACTED]	E Date business started 010104
C Business code number 235900		City or town, state, and ZIP code [REDACTED]	F Total assets (see the instructions) NOT REQUIRED

- G** Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return (6) Technical termination - also check (1) or (2)
- H** Check accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶
- I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ **TWO**
- J** Check if Schedules C and M-3 are attached

Caution. Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a Gross receipts or sales	1a		1c	25230
	b Less returns and allowances	1b			
	2 Cost of goods sold (Schedule A, line 8)			2	10064
	3 Gross profit. Subtract line 2 from line 1c			3	15166
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			4	0
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5	0
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			6	0
	7 Other income (loss) (attach statement)			7	0
8 Total income (loss). Combine lines 3 through 7			8	15166	
Deductions (see the instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)			9	0
	10 Guaranteed payments to partners			10	2115
	11 Repairs and maintenance			11	0
	12 Bad debts			12	0
	13 Rent			13	1350
	14 Taxes and licenses			14	0
	15 Interest			15	0
	16a Depreciation (if required, attach Form 4562)	16a			17233
	b Less depreciation reported on Schedule A and elsewhere on return	16b		16c	
	17 Depletion (Do not deduct oil and gas depletion.)			17	0
	18 Retirement plans, etc.			18	0
	19 Employee benefit programs			19	0
	20 Other deductions (attach statement)			20	11407
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20.			21	34149
22 Ordinary business income (loss). Subtract line 21 from line 8			22	(18983)	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

REGGIE RAGSDALE
Signature of general partner or limited liability company member manager

091210
Date

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only

Preparer's signature **M. P. UMBERGER**

Date **091210**

Check if self-employed

Preparer's SSN or PTIN [REDACTED]

Firm's name (or yours if self-employed), address, and ZIP code [REDACTED]

Phone no. [REDACTED]

Schedule A Cost of Goods Sold (see the instructions)

1	Inventory at beginning of year	
2	Purchases less cost of items withdrawn for personal use	
3	Cost of labor	
4	Additional section 263A costs (attach statement)	
5	Other costs (attach statement) PLEASE SEE ATTACHED	10064
6	Total. Add lines 1 through 5	10064
7	Inventory at end of year	0
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	10064

9a Check all methods used for valuing closing inventory:

(i) Cost as described in Regulations section 1.471-3

(ii) Lower of cost or market as described in Regulations section 1.471-4

(iii) Other (specify method used and attach explanation) ▶

b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c)

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? Yes No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation.

Schedule B Other Information

		Yes	No
1	What type of entity is filing this return? Check the applicable box:		
a	<input checked="" type="checkbox"/> Domestic general partnership		
b	<input type="checkbox"/> Domestic limited partnership		
c	<input type="checkbox"/> Domestic limited liability company		
d	<input type="checkbox"/> Domestic limited liability partnership		
e	<input type="checkbox"/> Foreign partnership		
f	<input type="checkbox"/> Other ▶		
2	At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?		X
3	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership		X
b	Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership		
4	At the end of the tax year, did the partnership:		
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

(i) Name of Entity	(ii) Employer Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital
				X
				X

Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

OMB No. 1545-0033

▶ File a separate application for each return.
 ▶ See separate instructions.

Type or Print File by the due date for the return for which an extension is requested. See instructions.	Name SANTA ROSA CONSTRUCTION	Identifying number [REDACTED]
	Number, street, and room or suite no. (if P.O. box, see instructions.) [REDACTED]	
	City, town, state, and ZIP code (if a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)). [REDACTED]	

Note. See instructions before completing this form.

Part I Automatic 5-Month Extension Complete if Filing Form 1065, 1041, or 8804

1a Enter the form code for the return that this application is for (see below) 09

Application Is For:	Form Code	Application Is For:	Form Code
Form 1065	09	Form 1041 (estate)	04
Form 8804	31	Form 1041 (trust)	05

Part II Automatic 6-Month Extension Complete if Filing Other Forms

b Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-PC	21
Form 708-GS(T)	02	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120S	25
Form 1065-B	10	Form 1120-SF	26
Form 1066	11	Form 3520-A	27
Form 1120	12	Form 8612	28
Form 1120-C	34	Form 8813	29
Form 1120-F	15	Form 8725	30
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8878	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36
Form 1120-ND (section 4951 taxes)	20		

- 2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here
- 3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here
 If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

Part III All Filers Must Complete This Part

- 4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here
- 5a The application is for calendar year 20⁰⁹, or tax year beginning 20 and ending 20
- b Short tax year. If this tax year is less than 12 months, check the reason:
 Initial return Final return Change in accounting period Consolidated return to be filed

6 Tentative total tax	6	
7 Total payments and credits (see instructions)	7	
8 Balance due. Subtract line 7 from line 6. Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW) (see instructions for exceptions)	8	0

REVENUE..CONSTRUCTION PCT COMPLETION-		25230
COST OF GDS SOLD:		
GRADING..	3000	
CABINETS..	500	
CONTAINER MOVE..	300	
FIREPLACE.....	400	
LANDSCAPE.....	1487	
LABOR.....	4377	10064
INCOME..	-----	15166

EXPENSES:		
WAGES		0
GUARANTEED PYMNTS.....		2115
REPAIRS MAINTENANCE.....		0
BAD DEBTS		0
RENT EQUIPMENT LEASE.....		1350
TAXES.....		0
INTEREST.....		2044
DEPRECIATION.....		17233
OTHER:		
ADVRTSMNT	12	
DUES	66	
FUEL	344	
LOAB FEES LAWYERS TITLE..	54	
PERMITS RIVERSIDE COUNTY.....	2217	
MILEAGE RMBRS-JR....	15810	8696
MEETINGS	18	
TOTAL OTHER EXPENSES.....		11407
TOTAL EXPENSES.....		34149
TOTAL NET INCOME.....		-18983
		=====

Depreciation and Amortization (Including Information on Listed Property)

▶ See separate instructions.

▶ Attach to your tax return.

Name(s) shown on return
SANTA ROSA CONSTRUCTION

Business or activity to which this form relates
1065

Identifying number
[REDACTED]

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	\$250,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	\$800,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2008 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2010. Add lines 9 and 10, less line 12 ▶	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2009	17	17233
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		<input type="checkbox"/>

Section B—Assets Placed in Service During 2009 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property					
b	5-year property					
c	7-year property					
d	10-year property					
e	15-year property					
f	20-year property					
g	25-year property		25 yrs.		S/L	
h	Residential rental property		27.5 yrs.	MM	S/L	
i	Nonresidential real property		27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	17233
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

SANTA ROSA CNSTRCTN



CY 09

	BASIS	METHOD	PRIOR	THIS	CY09	BALANCE
TRUCK 04	52173	5YRSL	46953	5220		0
TRACTORS 04	27112	5YRSL	24399	2713		0
1 TON DODGE 05 CY 06..	12334	5YRSL	6165	2466		3703
1 TON FORD-07	5000	5YRSL	1500	1000		2500
BACKHOE-07	24558	5YRSL	7371	4914		12273
TOTAL CY 08						
FLATBED TRAILER	2700	5YRSL	270	540		2160
CEMENT MIXTURE	1900	5YRSL	190	380		1520
<hr/>						
TOTAL PRIOR	125777	5YRSL	86848	17233		22156
TOTAL CY 09						0
NONE						0
<hr/>						
TOTAL CY 09	0	5YRSL	0	0		0
<hr/>						
TOTAL DEP,	125777	5YRSL	86848	17233		22156
ACC DEP	103621					
NET ASSETS	22156					ck#

Schedule K-1 (Form 1065)

2009

Department of the Treasury Internal Revenue Service

For calendar year 2009, or tax year beginning 2009 ending 20

Partner's Share of Income, Deductions, Credits, etc. See back of form and separate instructions.

Final K-1 Amended K-1

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Part I Information About the Partnership

A Partnership's employer identification number
B Partnership's name, address, city, state, and ZIP code SANTA ROSA CONSTRUCTION
C IRS Center where partnership filed return OGDEN UTAH
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
F Partner's name, address, city, state, and ZIP code REGGIE L. RAGSDALE
G General partner or LLC member-manager Limited partner or other LLC member
H Domestic partner Foreign partner
I What type of entity is this partner? INDIVIDUAL
J Partner's share of profit, loss, and capital (see instructions):
Beginning Ending
Profit 90 % 90% %
Loss 90 % 90% %
Capital 90 % 90% %
K Partner's share of liabilities at year end:
Nonrecourse \$ 90 \$
Qualified nonrecourse financing \$ 90 \$
Recourse \$ 90 \$

Table with 20 rows: 1 Ordinary business income (loss) (17084), 2 Net rental real estate income (loss), 3 Other net rental income (loss), 4 Guaranteed payments, 5 Interest income, 6a Ordinary dividends, 6b Qualified dividends, 7 Royalties, 8 Net short-term capital gain (loss), 9a Net long-term capital gain (loss), 9b Collectibles (28%) gain (loss), 9c Unrecaptured section 1250 gain, 10 Net section 1231 gain (loss), 11 Other income (loss), 12 Section 179 deduction, 13 Other deductions, 14 Self-employment earnings (loss) (17084), 15 Credits, 16 Foreign transactions, 17 Alternative minimum tax (AMT) items, 18 Tax-exempt income and nondeductible expenses, 19 Distributions, 20 Other information

*See attached statement for additional information.

For IRS Use Only

L Partner's capital account analysis:
Beginning capital account \$
Capital contributed during the year \$
Current year increase (decrease) \$
Withdrawals & distributions \$
Ending capital account \$
M Did the partner contribute property with a built-in gain or loss? Yes No

This part identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

Code	Description	Report on
1.	Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows: Passive loss Passive income Nonpassive loss Nonpassive income	Report on: See the Partner's Instructions Schedule E, line 28, column (g) Schedule E, line 28, column (f) Schedule E, line 28, column (d) See the Partner's Instructions
2.	Net rental real estate income (loss)	Schedule E, line 28, column (g)
3.	Other net rental income (loss)	See the Partner's Instructions
	Net income	See the Partner's Instructions
	Net loss	Schedule E, line 28, column (g) Schedule D, line 12, column (f) 28% Rate Gain Worksheet, line 4 (Schedule D instructions)
4.	Guaranteed payments	See the Partner's Instructions
5.	Interest income	Schedule E, line 28, column (d) Form 1040, line 8a
6a.	Ordinary dividends	Form 1040, line 9a
6b.	Qualified dividends	Schedule E, line 8b
7.	Royalties	Schedule E, line 4
8a.	Net short-term capital gain (loss)	Schedule D, line 6, column (f)
8b.	Net long-term capital gain (loss)	Schedule D, line 12, column (f)
9a.	Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D instructions)
9b.	Capital gain property to a 50% organization (30%)	See the Partner's Instructions
9c.	Unrecaptured section 1220 gain	See the Partner's Instructions
10.	Net section 1257 gain (loss)	See the Partner's Instructions
11.	Other income (loss)	See the Partner's Instructions
	Code	
A.	Other portfolio income (loss)	See the Partner's Instructions
B.	Involuntary conversions	See the Partner's Instructions
C.	Sec. 1256 contracts & straddles	Form 6781, line 1
D.	Mining exploration costs recapture	See Pub. 535
E.	Cancellation of debt	Form 1040, line 21 or Form 982
F.	Other income (loss)	See the Partner's Instructions
12.	Section 179 deduction	See the Partner's Instructions
13.	Other deductions	See the Partner's Instructions
A.	Cash contributions (50%)	Form 4852, line 1
B.	Cash contributions (30%)	Schedule E, line 18
C.	Noncash contributions (50%)	See the Partner's Instructions
D.	Noncash contributions (30%)	Schedule A, line 23
E.	Capital gain property to a 50% organization (30%)	Schedule A, line 26
F.	Capital gain property (20%)	See the Partner's Instructions
G.	Contributions (100%)	Form 4852, line 1
H.	Investment interest expense	Schedule E, line 18
I.	Deductions—royalty income	See the Partner's Instructions
J.	Section 58(e)(2) expenditures	Schedule A, line 23
K.	Deductions—portfolio (2% floor)	Schedule A, line 26
L.	Deductions—portfolio (other)	Schedule A, line 1 or Form 1040, line 29
M.	Amounts paid for medical insurance	See the Partner's Instructions
N.	Educational assistance benefits	Form 2441, line 14
O.	Dependent care benefits	See the Partner's Instructions
P.	Preproductive period expenses	See Form 8582 instructions
Q.	Commercial revitalization deduction	See the Partner's Instructions
R.	Perfusions and IRAs	See the Partner's Instructions
S.	Reforestation expense deduction	See the Partner's Instructions
T.	Domestic production activities information	See Form 8803 instructions
U.	Qualified production activities income	Form 8903, line 7
V.	Employer's Form W-2 wages	Form 8903, line 15
W.	Other deductions	See the Partner's Instructions
14.	Self-employment earnings (loss)	See the Partner's Instructions
	Note: If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.	
A.	Net earnings (loss) from self-employment	Schedule SE, Section A or B
B.	Gross farming or fishing income	See the Partner's Instructions
C.	Gross non-farm income	See the Partner's Instructions
15.	Credits	
A.	Low-income housing credit (section 42(i)(5)) from pre-2008 buildings	See the Partner's Instructions
B.	Low-income housing credit (other)	See the Partner's Instructions
C.	Low-income housing credit (section 42(i)(5)) from post-2007 buildings	Form 8586, line 11
D.	Low-income housing credit (other) from post-2007 buildings	Form 8586, line 11
E.	Qualified rehabilitation expenditures (rental real estate)	See the Partner's Instructions
F.	Other rental real estate credits	See the Partner's Instructions
G.	Other rental credits	Form 1040, line 70; check box a
H.	Undistributed capital gains credit	Form 6478, line 7
I.	Alcohol and cellular telephonic fuels credit	Form 8994, line 3
J.	Work opportunity credit	Form 8994, line 3
K.	Disabled access credit	See the Partner's Instructions
L.	Employment zone and renewal community employment credit	Form 8844, line 3
M.	Credit for increasing research activities	See the Partner's Instructions
N.	Credit for employer social security and Medicare taxes	Form 8846, line 5
O.	Backup withholding	Form 1040, line 61
P.	Other credits	See the Partner's Instructions
16.	Foreign transactions	
A.	Name of country or U.S. possession	Form 1116, Part I
B.	Gross income from all sources	Form 1116, Part I
C.	Gross income sourced at partner level	Form 1116, Part I
	Foreign gross income sourced at partnership level	
D.	Passive category	Form 1116, Part I
E.	General category	Form 1116, Part I
F.	Other	Form 1116, Part I
G.	Deductions allocated and apportioned at partner level	Form 1116, Part I
H.	Other	Form 1116, Part I
	Deductions allocated and apportioned at partnership level to foreign source income	
I.	Passive category	Form 1116, Part I
J.	General category	Form 1116, Part I
K.	Other	Form 1116, Part I
	Other information	
L.	Total foreign taxes paid	Form 1116, Part II
M.	Total foreign taxes accrued	Form 1116, Part II
N.	Reduction in taxes available for credit	Form 1116, Part II
O.	Foreign trading gross receipts	Form 8873
P.	Extraterritorial income exclusion	Form 8873
Q.	Other foreign transactions	See the Partner's Instructions
17.	Alternative minimum tax (AMT) items	
A.	Post-1986 depreciation adjustment	Form 4852, line 8a
B.	Adjusted gain or loss	See the Partner's Instructions
C.	Depletion (other than oil & gas)	See the Partner's Instructions
D.	Oil, gas, & geothermal—gross income	See the Partner's Instructions
E.	Oil, gas, & geothermal—deductions	Form 8251
F.	Other AMT items	See the Partner's Instructions
18.	Tax-exempt income and nondeductible expenses	
A.	Tax-exempt interest income	Form 1040, line 8b
B.	Other tax-exempt income	See the Partner's Instructions
C.	Nondeductible expenses	See the Partner's Instructions
19.	Distributions	
A.	Cash and marketable securities	See the Partner's Instructions
B.	Distribution subject to section 737	See the Partner's Instructions
C.	Other property	See the Partner's Instructions
20.	Other information	
A.	Investment income	Form 4852, line 4a
B.	Fuel tax credit information	Form 4852, line 5
C.	Qualified rehabilitation expenditures (other than rental real estate)	Form 4138
D.	Basis of energy property	See the Partner's Instructions
E.	Recapture of low-income housing credit (section 420(f))	See the Partner's Instructions
F.	Recapture of low-income housing credit (other)	Form 8611, line 8
G.	Recapture of investment credit	See Form 4255
H.	Recapture of other credits	See the Partner's Instructions
I.	Lock-back interest—completed long-term contracts	See Form 8897
J.	Lock-back interest—income forecast method	See Form 8898
K.	Dispositions of property with section 179 deductions	See the Partner's Instructions
L.	Recapture of section 179 deduction	See the Partner's Instructions
M.	Interest expense for corporate partners	See the Partner's Instructions
N.	Section 453(o)(2) information	See the Partner's Instructions
O.	Section 453A(c) information	See the Partner's Instructions
P.	Section 1380(a) information	See the Partner's Instructions
Q.	Interest allocable to production expenditures	See the Partner's Instructions
R.	CCF nonqualified withdrawals	See the Partner's Instructions
S.	Depletion information—oil and gas	See the Partner's Instructions
T.	Amortization of reforestation costs	See the Partner's Instructions
U.	Unrealized business taxable income	See the Partner's Instructions
V.	Recontribution gain (loss)	See the Partner's Instructions
W.	Section 106(f) information	See the Partner's Instructions
X.	Other information	See the Partner's Instructions
Y.	Other information	See the Partner's Instructions

Schedule K-1 (Form 1065)

2009

Department of the Treasury Internal Revenue Service

For calendar year 2009, or tax year beginning 2009 ending 20

Partner's Share of Income, Deductions, Credits, etc.

See back of form and separate instructions.

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 2 columns: Item description and Amount. Rows include: 1 Ordinary business income (loss) (1898), 2 Net rental real estate income (loss), 3 Other net rental income (loss), 4 Guaranteed payments (2115), 5 Interest income, 6a Ordinary dividends, 6b Qualified dividends, 7 Royalties, 8 Net short-term capital gain (loss), 9a Net long-term capital gain (loss), 9b Collectibles (28%) gain (loss), 9c Unrecaptured section 1250 gain, 10 Net section 1231 gain (loss), 11 Other income (loss), 12 Section 179 deduction, 13 Other deductions, 14 Self-employment earnings (loss) (302). Right column includes: 15 Credits, 16 Foreign transactions, 17 Alternative minimum tax (AMT) items, 18 Tax-exempt income and nondeductible expenses, 19 Distributions, 20 Other information.

Part I Information About the Partnership

A Partnership's employer identification number [redacted]
B Partnership's name, address, city, state, and ZIP code SANTA ROSA CONSTRUCTION [redacted]
C IRS Center where partnership filed return OGDEN UTAH
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number [redacted]
F Partner's name, address, city, state, and ZIP code CASSANDRA RAGSDALE [redacted]
G General partner or LLC member-manager (checked) / Limited partner or other LLC member
H Domestic partner (checked) / Foreign partner
I What type of entity is this partner? INDIVIDUAL
J Partner's share of profit, loss, and capital (see instructions):
Beginning Ending
Profit 1.0% % 1.0% %
Loss 1.0% % 1.0% %
Capital 1.0% % 1.0% %
K Partner's share of liabilities at year end:
Nonrecourse \$ 1.0 %
Qualified nonrecourse financing \$ 1.0 %
Recourse \$ 1.0 %

L Partner's capital account analysis:
Beginning capital account \$
Capital contributed during the year \$
Current year increase (decrease) \$
Withdrawals & distributions \$
Ending capital account \$

Tax basis GAAP Section 704(b) book
 Other (explain)

M Did the partner contribute property with a built-in gain or loss?
 Yes No
If "Yes", attach statement (see instructions)

*See attached statement for additional information.
For IRS Use Only

	Yes	No
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details. IS BY DEFINITION A SMALL PARTNERSHIP		N/A
6 Does the partnership satisfy all four of the following conditions? a The partnership's total receipts for the tax year were less than \$250,000. b The partnership's total assets at the end of the tax year were less than \$1 million. c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. d The partnership is not filing and is not required to file Schedule M-3 If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.	X	
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		X
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
10 At any time during calendar year 2009, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country. ▶		X
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.		X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than entities wholly-owned by the partnership throughout the tax year) ▶ <input type="checkbox"/>		
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ▶		
16 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶		

Designation of Tax Matters Partner (see instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP	REGGIE RAGSDALE	Identifying number of TMP	[REDACTED]
If the TMP is an entity, name of TMP representative	[REDACTED]	Phone number of TMP	[REDACTED]
Address of designated TMP	[REDACTED]		

Schedule K		Partners' Distributive Share Items		Total amount	
Income (Loss)	1	Ordinary business income (loss) (page 1, line 22)		1	(18983)
	2	Net rental real estate income (loss) (attach Form 8825)		2	
	3a	Other gross rental income (loss)	3a		
	b	Expenses from other rental activities (attach statement)	3b		
	c	Other net rental income (loss). Subtract line 3b from line 3a		3c	
	4	Guaranteed payments		4	2115
	5	Interest income		5	
	6	Dividends:		6a	
	a	Ordinary dividends			
	b	Qualified dividends	6b		
	7	Royalties		7	
8	Net short-term capital gain (loss) (attach Schedule D (Form 1065))		8		
9a	Net long-term capital gain (loss) (attach Schedule D (Form 1065))		9a		
b	Collectibles (28%) gain (loss)	9b			
c	Unrecaptured section 1250 gain (attach statement)	9c			
10	Net section 1231 gain (loss) (attach Form 4797)		10		
11	Other income (loss) (see instructions) Type ▶		11		
Deductions	12	Section 179 deduction (attach Form 4562)		12	
	13a	Contributions		13a	
	b	Investment interest expense		13b	
	c	Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶		13c(2)	
d	Other deductions (see instructions) Type ▶		13d		
Self-Employment	14a	Net earnings (loss) from self-employment		14a	(16868)
	b	Gross farming or fishing income		14b	
	c	Gross nonfarm income		14c	
Credits	15a	Low-income housing credit (section 42(j)(5))		15a	
	b	Low-income housing credit (other)		15b	
	c	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)		15c	
	d	Other rental real estate credits (see instructions) Type ▶		15d	
	e	Other rental credits (see instructions) Type ▶		15e	
	f	Other credits (see instructions) Type ▶		15f	
Foreign Transactions	16a	Name of country or U.S. possession ▶		16a	
	b	Gross income from all sources		16b	
	c	Gross income sourced at partner level		16c	
	d	Foreign gross income sourced at partnership level			
	e	Passive category ▶ General category ▶ f Other ▶		16f	
	g	Deductions allocated and apportioned at partner level			
	h	Interest expense ▶ h Other ▶		16h	
	i	Deductions allocated and apportioned at partnership level to foreign source income			
j	Passive category ▶ j General category ▶ k Other ▶		16k		
l	Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/>		16l		
m	Reduction in taxes available for credit (attach statement)		16m		
n	Other foreign tax information (attach statement)				
Alternative Minimum Tax (AMT) Items	17a	Post-1986 depreciation adjustment		17a	
	b	Adjusted gain or loss		17b	
	c	Depletion (other than oil and gas)		17c	
	d	Oil, gas, and geothermal properties—gross income		17d	
	e	Oil, gas, and geothermal properties—deductions		17e	
	f	Other AMT items (attach statement)		17f	
Other Information	18a	Tax-exempt interest income		18a	
	b	Other tax-exempt income		18b	
	c	Nondeductible expenses		18c	
	19a	Distributions of cash and marketable securities		19a	
	b	Distributions of other property		19b	
	20a	Investment income		20a	
b	Investment expenses		20b		
c	Other items and amounts (attach statement)				

Analysis of Net Income (Loss)

1	Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16i	1	(16868)				
2	Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other
a	General partners		TWO				
b	Limited partners						

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash . . . NOT REQUIRED . . .				
2a	Trade notes and accounts receivable . . .				
b	Less allowance for bad debts . . .				
3	Inventories . . .				
4	U.S. government obligations . . .				
5	Tax-exempt securities . . .				
6	Other current assets (attach statement) . . .				
7	Mortgage and real estate loans . . .				
8	Other investments (attach statement) . . .				
9a	Buildings and other depreciable assets . . .				
b	Less accumulated depreciation . . .				
10a	Depletable assets . . .				
b	Less accumulated depletion . . .				
11	Land (net of any amortization) . . .				
12a	Intangible assets (amortizable only) . . .				
b	Less accumulated amortization . . .				
13	Other assets (attach statement) . . .				
14	Total assets . . .				
Liabilities and Capital					
15	Accounts payable . . .				
16	Mortgages, notes, bonds payable in less than 1 year . . .				
17	Other current liabilities (attach statement) . . .				
18	All nonrecourse loans . . .				
19	Mortgages, notes, bonds payable in 1 year or more . . .				
20	Other liabilities (attach statement) . . .				
21	Partners' capital accounts . . .				
22	Total liabilities and capital . . .				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return
 Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1	Net income (loss) per books . . .	6	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):	a	Tax-exempt interest \$
3	Guaranteed payments (other than health insurance) . . .	7	Deductions included on Schedule K, lines 1 through 13d, and 16i, not charged against book income this year (itemize):
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16i (itemize):	a	Depreciation \$
a	Depreciation \$	8	Add lines 6 and 7 . . .
b	Travel and entertainment \$	9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5 . . .
5	Add lines 1 through 4 . . .		

Schedule M-2 Analysis of Partners' Capital Accounts

1	Balance at beginning of year . . .	6	Distributions: a Cash . . .
2	Capital contributed: a Cash . . .	b	Property . . .
	b Property . . .	7	Other decreases (itemize):
3	Net income (loss) per books . . .		
4	Other increases (itemize):	8	Add lines 6 and 7 . . .
		9	Balance at end of year. Subtract line 8 from line 5 . . .
5	Add lines 1 through 4 . . .		

2009 Partnership Return of Income

565

For calendar year 2009 or fiscal year beginning month _____ day _____ year _____, and ending month _____ day _____ year _____

Partnership name (type or print) Check box if name changed
SANTA ROSA CONSTRUCTION

JBA
A FEIN
• [REDACTED]

Address (suite, room, PO Box, and PMB no.)
[REDACTED]
B Secretary of State (SOS) file number
• [REDACTED]

City **MURRIETTA** State _____ ZIP Code _____
C Principal business activity name (same as federal)
CONSTRUCTION
D Principal product or service (same as federal)
SERVICE

E Check accounting method: (1) Cash (2) Accrual (3) Other (attach explanation)
F Date business started in CA: **01/01/04**
G Enter total assets at end of year. See instructions. **\$NOT REQUIRED**
H Check the applicable box: (1) Initial return (2) FINAL RETURN (3) Amended return
I Principal business activity code (same as federal): **235900**

Caution: Include only trade or business income and expenses on line 1a through line 22 below. See the instructions for more information.

Income	1 a Gross receipts or sales \$ _____ b Less returns and allowances \$ _____ c Balance	1c	25230	00
	2 Cost of goods sold (Schedule A, line 8)	2	10064	00
	3 GROSS PROFIT. Subtract line 2 from line 1c	3	15166	00
	4 Total ordinary income from other partnerships and fiduciaries. Attach schedule	4	0	00
	5 Total ordinary loss from other partnerships and fiduciaries. Attach schedule	5	0	00
	6 Total farm profit. Attach federal Schedule F (Form 1040)	6	0	00
	7 Total farm loss. Attach federal Schedule F (Form 1040)	7	0	00
	8 Total gains included on Schedule D-1, Part II, line 17 (gain only)	8	0	00
	9 Total losses included on Schedule D-1, Part II, line 17 (loss only)	9	0	00
	10 Other income. Attach schedule	10	0	00
	11 Other loss. Attach schedule	11	0	00
	12 Total income (loss). Combine line 3 through line 11	12	15166	00
Deductions - Enclose, but do not staple, any payment	13 Salaries and wages (other than to partners)	13	0	00
	14 Guaranteed payments to partners	14	2115	00
	15 Bad debts	15		00
	16 Deductible interest expense not claimed elsewhere on return	16		00
	17 a Depreciation and amortization. Attach form FTB 3885P \$ _____ b Less depreciation reported on Schedule A and elsewhere on return \$ _____ c Balance	17c	17233	00
	18 Depletion. Do not deduct oil and gas depletion	18		00
	19 Retirement plans, etc.	19		00
	20 Employee benefit programs	20		00
	21 Other deductions. Attach schedule	21	12757	00
	22 Total deductions. Add line 13 through line 21	22	34149	00
23 Ordinary income (loss) from trade or business activities. Subtract line 22 from line 12	23	(18983)	00	
Payments	24 Tax — \$800.00 (LPs, LLPs, and REMICs only). See instructions	24	0	00
	25 2009 Resident/nonresident or real estate withholding. See instructions	25	00	00
	26 Amount paid with extension of time to file return (form FTB 3538)	26	00	00
27 Total payments. Add line 25 and line 26	27		00	
Amount Due or Refund	28 Tax due. If line 24 is more than line 27, subtract line 27 from line 24	28		00
	29 Use Tax. This is not a total line. See instructions	29	00	00
	30 Refund. If the total of line 24 and line 29 is less than line 27, subtract the total from line 27	30		00
	31 Penalties and interest	31		00
	32 Total amount due. Add line 24, line 29, and line 31, then subtract line 27 from the result. Make the check or money order payable to the Franchise Tax Board	32		00

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here
Signature of general partner: **REGGIE RAGSDALE** Date: **09/21/10** Telephone: [REDACTED]

Paid Preparer's Use Only
Paid Preparer's signature: **M. P. UMBERGER** Date: **09/21/10** Check if self-employed: Paid Preparer's SSN/PTIN: [REDACTED]

Firm's name (if different from preparer's name): **AL DESERT DIVERSITY** Telephone: [REDACTED] FEIN: [REDACTED]

May the FTB disclose the return information shown above? (See instructions) Yes No

Schedule A Cost of Goods Sold

1	Inventory at beginning of year	1		00
2	Purchases less cost of items withdrawn for personal use	2		00
3	Cost of labor	3		00
4	Additional IRC Section 263A costs. Attach schedule	4		00
5	Other costs. Attach schedule PLEASE SEE ATTACHED SCHEDULE	5	10064	00
6	Total. Add line 1 through line 5	6	10064	00
7	Inventory at end of year	7	0	00
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Side 1, line 2.	8	-10064	00

- 9 a Check all methods used for valuing closing inventory:
 (1) Cost (2) Lower of cost or market as described in Treas. Reg. Section 1.471-4 (3) Write down of "subnormal" goods as described in Treas. Reg. Section 1.471-2(c) (4) Other. Specify method used and attach explanation _____
- b Check this box if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970.
- c Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the partnership? Yes No
- d Was there any change (other than for IRC Section 263A purposes) in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

- J What type of entity is filing this return? Check one only:
 ● 1 General partnership ● 2 Limited partnership required to pay annual tax (is doing business in California, is registered with SOS, or is organized in California) ● 3 Limited partnership, limited liability company (LLC), or other entity NOT required to pay annual tax (is not doing business in California, is not registered with SOS, and is not organized in California) ● 4 REMIC ● 5 Limited liability partnership ● 6 Other (See instructions)

K Enter the maximum number of partners in this partnership at any time during the year. (Be sure to attach a California Schedule K-1 (565) for each partner) _____

		TWO	
		Yes	NO
L	Is any partner of the partnership related (as defined in IRC Section 267(c)(4)) to any other partner?	X	
M	Is any partner of the partnership a trust for the benefit of any person related (as defined in IRC Section 267(c)(4)) to any other partner?		X
N	Are any partners in this partnership also partnerships or LLCs?		X
O	Does the partnership meet all the requirements shown in the instructions for Question O?	X	
P	Is this partnership a partner in another partnership or LLC? If "Yes," attach a statement with the name(s) and FEIN(s) of each entity		X
Q	Was there a distribution of property or transfer (for example by sale or death) of a partnership interest during the taxable year? If "Yes," see the federal instructions concerning an election to adjust the basis of the partnership's assets under IRC Section 754		X
R	Is this partnership a publicly traded partnership as defined in IRC Section 469(k)(2)?		X
S	Is this partnership under audit by the IRS or has it been audited in a prior year?		X
T	(1) For this taxable year, was there a change in control or majority ownership for this partnership (or any legal entity in which it holds a controlling or majority interest) that owned or (under certain circumstances) leased real property in California?		X
	(2) For this taxable year, did this partnership (or any legal entity in which it holds a controlling or majority interest) acquire control or majority ownership of any other legal entity that owned or (under certain circumstances) leased real property in California?		X
	(3) If this partnership (or any legal entity in which it holds a controlling or majority interest) owned or (under certain circumstances) leased real property in California, has more than 50 percent of the partnership's interest cumulatively transferred in one or more transactions since March 1, 1975, which was not reported on a previous year's tax return?		X
U	(1) Does the partnership have any foreign (non U.S.) nonresident partners?		X
	(2) Does the partnership have any domestic (non-foreign) nonresident partners?		X
	(3) Were Form 592, Form 592-A, Form 592-B, and Form 592-F filed for these partners?	X	
V	Is this an investment partnership? See General Information, Investment Partnerships, in the instructions.		X
W	Is the partnership apportioning income to California using Schedule R?		X
X	Has the partnership included a Reportable Transaction or Listed Transaction within this return? (See instructions for definitions.) If "Yes," complete and attach federal Form 8886 for each transaction		X
Y	Did this partnership file the Federal Schedule M-3 (Form 1065)?		X
Z	Is this partnership a direct owner of an entity that filed a federal Schedule M-3?		X
AA	Does this partnership have a beneficial interest in a trust or is it a grantor of a trust? Attach name, address, and FEIN.		X
BB	Does this partnership own an interest in a business entity disregarded for tax purposes? Attach schedule of disregarded entity names and identification numbers.		X
CC	During the year did this partnership defer any income from the disposition of assets?		X
DD	(1) Did this partnership generate a New Jobs Credit?		X
	(2) If "Yes," enter the generated amount		00
EE	(1) Did this partnership or an entity in which this partnership has an ownership interest elect to defer income from the discharge of indebtedness as described in IRC 108(i) for Federal purposes?		X
	(2) If "Yes," enter the portion of the discharge of indebtedness attributable to the partnership		00

REGGIE RAGSDALE SANTA ROSA CONSTRUCTION 71-098606

Other Partner Information

Table 1 — Partner's share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the partners).

Interest \$ _____ Sec. 1231 Gains/Losses \$ _____ Capital Gains/Losses \$ _____
 Dividends \$ _____ Royalties \$ _____ Other \$ _____

FOR USE BY APPORTIONING UNITARY PARTNERS ONLY - See instructions.

Table 2 — Partner's share of distributive items.

- A. Partner's share of the partnership's business income. See instructions. \$ _____
 B. Partner's share of nonbusiness income from real and tangible personal property sourced or allocable to California.

Capital Gains/Losses \$ _____ Rents/Royalties \$ _____

Sec. 1231 Gains/Losses \$ _____ Other \$ _____

C. Partner's distributive share of the partnership's property, payroll, and sales:

Factors	Total within and outside California	Total within California
Property: Beginning	\$ _____	\$ _____
Ending	\$ _____	\$ _____
Annual rent expense	\$ _____	\$ _____
Payroll	\$ _____	\$ _____
Sales	\$ _____	\$ _____

Partner's Share of Income, Deductions, Credits, etc.

2009

K-1 (565)

for calendar year 2009 or fiscal year beginning month July year 2009 and ending month July day 31 year 2009

Partner's identifying number <u>[REDACTED]</u> Partner's name, address, city, state, and ZIP Code REGGIE RAGSDALE <u>[REDACTED]</u> <u>[REDACTED]</u>	Partnership's FEIN <u>[REDACTED]</u> Secretary of State file number Partnership's name, address, city, state, and ZIP Code SANTA ROSA CONSTRUCTION <u>[REDACTED]</u> <u>[REDACTED]</u>
--	--

<p>A Is this partner a: (1) <input checked="" type="checkbox"/> General partner; or (2) <input type="checkbox"/> limited partner?</p> <p>B What type of entity is this partner? ●</p> <p>(1) <input type="checkbox"/> Individual (5) <input checked="" type="checkbox"/> General Partnership (9) <input type="checkbox"/> IRA/Keogh/SEP (2) <input type="checkbox"/> S Corporation (6) <input type="checkbox"/> Limited Partnership (10) <input type="checkbox"/> Exempt Organization (3) <input type="checkbox"/> Estate/Trust (7) <input type="checkbox"/> LLP (11) <input type="checkbox"/> Disregarded Entity (4) <input type="checkbox"/> C Corporation (8) <input type="checkbox"/> LLC</p> <p>C Is this partner a foreign partner? ● <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>D Enter partner's percentage (without regard to special allocations) of:</p> <table style="width:100%;"> <tr> <td></td> <td>(i) Before decrease or termination</td> <td>(ii) End of year</td> </tr> <tr> <td>Profit sharing</td> <td>90%</td> <td>90%</td> </tr> <tr> <td>Loss sharing</td> <td>90%</td> <td>90%</td> </tr> <tr> <td>Ownership of capital</td> <td>50%</td> <td>90%</td> </tr> </table>		(i) Before decrease or termination	(ii) End of year	Profit sharing	90%	90%	Loss sharing	90%	90%	Ownership of capital	50%	90%	<p>E Partner's share of liabilities:</p> <p>Nonrecourse ● \$ 90%</p> <p>Qualified nonrecourse financing ● \$ 90%</p> <p>Other ● \$ 90%</p> <p>F Reportable transaction or tax shelter registration number(s)</p> <p>G (1) Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2) <input type="checkbox"/> (2) Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1) <input type="checkbox"/></p> <p>H Check here if this is: ● (1) <input type="checkbox"/> A final Schedule K-1 (565) (2) <input type="checkbox"/> An amended Schedule K-1 (565)</p> <p>I Is this partner a nonresident of California? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
	(i) Before decrease or termination	(ii) End of year											
Profit sharing	90%	90%											
Loss sharing	90%	90%											
Ownership of capital	50%	90%											

J Analysis of partner's capital account: Check the box ● (1) Tax Basis (2) GAAP (3) Section 704(b) Book (4) Other (explain)

Capital account at beginning of year (a)	Capital contributed during year (b)	Partner's share of line 3, line 4, and line 7, Form 565, Schedule M-2 (c)	Withdrawals and distributions (d)	Capital account at end of year (e) <small>combine column (a) through column (d)</small>
●	●	●	●	●

Caution: Refer to Partner's Instructions for Schedule K-1 (565) before entering information from this schedule on your California return.

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
1	Ordinary income (loss) from trade or business activities	(17084)		● (17084)	▶ (17084)
2	Net income (loss) from rental real estate activities			●	▶
3	Net income (loss) from other rental activities			●	▶
4	Guaranteed payments to partners			●	▶
5	Interest income			●	▶
6	Dividends			●	▶
7	Royalties			●	▶
8	Net short-term capital gain (loss)			●	▶
9	Net long-term capital gain (loss)			●	▶
10 a	Total Gain under IRC Section 1231 (other than due to casualty or theft)			●	▶
b	Total Loss under IRC Section 1231 (other than due to casualty or theft)			●	▶
11 a	Other worldwide income (loss). Attach schedule			●	▶
b	Total other income. Attach schedule			●	▶
c	Other other. Attach schedule			●	▶

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Deductions	12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6 and 17268)				
	13 a Charitable contributions				
	b Investment interest expense				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply				
	2 Type of expenditures				
	d Deductions related to portfolio income				
	e Other deductions. Attach schedule				
Credits	15 a Total withholding (equals amount on Form 592-B if calendar year partnership)				
	b Low-income housing credit				
	c Credits other than line 15b related to rental real estate activities				
	d Credits related to other rental activities				
	e Nonconsenting nonresident partner's tax paid by partnership				
	f Other credits - Attach required schedules or statements				
	g New jobs credit				
Alternative Minimum Tax (AMT) items	17 a Depreciation adjustment on property placed in service after 1986				
	b Adjusted gain or loss				
	c Depletion (other than oil & gas)				
	d Gross income from oil, gas, and geothermal properties				
	e Deductions allocable to oil, gas, and geothermal properties				
	f Other alternative minimum tax items				
Tax-exempt income and Nondeductible Expenses	18 a Tax-exempt interest income				
	b Other tax-exempt income				
	c Nondeductible expenses				
Distributions	19 a Distributions of money (cash and marketable securities)				
	b Distributions of property other than money				
Other Information	20 a Investment income				
	b Investment expenses				
	c Other information. See instructions				

Partner's Share of Income, Deductions, Credits, etc.

2009

K-1 (565)

For calendar year 2009 or fiscal year beginning month day year and ending month day year

Partner's identifying number

Partnership's FEIN

Partner's name, address, city, state, and ZIP Code

Secretary of State file number

Partnership's name, address, city, state, and ZIP Code

CASSANDRA RAGSDALE

SANTA ROSA CONSTRUCTION

A Is this partner a (1) general partner or (2) limited partner?

B What type of entity is this partner?

- (1) Individual
- (2) S Corporation
- (3) Estate/Trust
- (4) C Corporation
- (5) General Partnership
- (6) Limited Partnership
- (7) LLP
- (8) LLC
- (9) IRA/Keogh/SEP
- (10) Exempt Organization
- (11) Disregarded Entity

C Is this partner a foreign partner? Yes No

D Enter partner's percentage (without regard to special allocations) of:

	(I) Before decrease or termination	(II) End of year
Profits sharing	10%	10%
Loss sharing	10%	10%
Ownership of capital	10%	10%

E Partner's share of liabilities:

- Nonrecourse \$ 10%
- Qualified nonrecourse financing \$ 10%
- Other \$ 10%

F Reportable transaction or tax shelter registration number(s)

- G (1) Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2)
- (2) Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1)

H Check here if this is:

- (1) A final Schedule K-1 (565)
- (2) An amended Schedule K-1 (565)

I Is this partner a nonresident of California? Yes No

J Analysis of partner's capital account: Check the box (1) Tax Basis (2) GAAP (3) Section 704(b) Book (4) Other (explain)

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of line 3, line 4, and line 7, Form 565, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year. Combine column (a) through column (d)

Caution: Refer to Partner's Instructions for Schedule K-1 (565) before entering information from this schedule on your California return.

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
1	Ordinary income (loss) from trade or business activities	(1898)		(1898)	(1898)
2	Net income (loss) from rental real estate activities				
3	Net income (loss) from other rental activities				
4	Guaranteed payments to partners	2115		2115	2115
5	Interest income				
6	Dividends				
7	Royalties				
8	Net short-term capital gain (loss)				
9	Net long-term capital gain (loss)				
10 a	Total Gain under IRC Section 1231 (other than due to casualty or theft)				
b	Total Loss under IRC Section 1231 (other than due to casualty or theft)				
11 a	Other portfolio income (loss). Attach schedule				
b	Total other income. Attach schedule				
c	Total other loss. Attach schedule				

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Deductions	12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17207.2, 17267.6 and 172681)				
	13 a Charitable contributions				
	b Investment interest expense				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply				
	2 Type of expenditures				
	d Deductions related to portfolio income				
e Other deductions. Attach schedule					
Credits	15 a Total withholding (equals amount on Form 592-B if calendar year partnership)				
	b Low-income housing credit				
	c Credits other than line 15b related to rental real estate activities				
	d Credits related to other rental activities				
	e Nonconsenting nonresident partner's tax paid by partnership				
	f Other credits - Attach required schedules or statements				
	g New jobs credit				
Alternative Minimum Tax (AMT) Items	17 a Depreciation adjustment on property placed in service after 1986				
	b Adjusted gain or loss				
	c Depletion (other than oil & gas)				
	d Gross income from oil, gas, and geothermal properties				
	e Deductions allocable to oil, gas, and geothermal properties				
	f Other alternative minimum tax items				
Tax-exempt Income and Nondeductible Expenses	18 a Tax-exempt interest income				
	b Other tax-exempt income				
	c Nondeductible expenses				
Distributions	19 a Distributions of money (cash and marketable securities)				
	b Distributions of property other than money				
Other Information	20 a Investment income				
	b Investment expenses				
	c Other information. See instructions				

CASSANDRA RAGSDALE SANTA ROSA CONSTRUCTION

Other Partner Information

Table 1 — Partner's share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the partners).

Interest \$ _____ Sec. 1231 Gains/Losses \$ _____ Capital Gains/Losses \$ _____
 Dividends \$ _____ Royalties \$ _____ Other \$ _____

FOR USE BY APPORTIONING UNITARY PARTNERS ONLY - See instructions.

Table 2 — Partner's share of distributive items.

A. Partner's share of the partnership's business income. See instructions. \$ _____

B. Partner's share of nonbusiness income from real and tangible personal property sourced or allocable to California.

Capital Gains/Losses \$ _____ Rents/Royalties \$ _____

Sec. 1231 Gains/Losses \$ _____ Other \$ _____

C. Partner's distributive share of the partnership's property, payroll, and sales.

Factors	Total within and outside California	Total within California
Property: Beginning	\$ _____	\$ _____
Ending	\$ _____	\$ _____
Annual rent expense	\$ _____	\$ _____
Payroll	\$ _____	\$ _____
Sales	\$ _____	\$ _____

SANTA ROSA CONSTRUCTION

Schedule K Partners' Shares of Income, Deductions, Credits, etc.

		(a) Distributive share items	(b) Amounts from Federal K (1065)	(c) California adjustments	(d) Total amounts using California law	
Income (Loss)	1	Ordinary income (loss) from trade or business activities	(18983)		(18983)	
	2	Net income (loss) from rental real estate activities. Attach federal Form 8825				
	3	a Gross income (loss) from other rental activities				
		b Less expenses. Attach schedule				
		c Net income (loss) from other rental activities. Subtract line 3b from line 3a				
	4	Guaranteed payments to partners	2115		2115	
	5	Interest income				
	6	Dividends				
	7	Royalties				
	8	Net short-term capital gain (loss). Attach Schedule D (565)				
	9	Net long-term capital gain (loss). Attach Schedule D (565)				
Deductions	10	a Total Gain under IRC Section 1231 (other than due to casualty or theft)				
		b Total Loss under IRC Section 1231 (other than due to casualty or theft)				
	11	a Other portfolio income (loss). Attach schedule				
		b Total other income. Attach schedule				
		c Total other loss. Attach schedule				
	12	Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6, and 17268). Attach schedule				
Credits	13	a Charitable contributions. See instructions. Attach schedule				
		b Investment interest expense				
		c 1 Total expenditures to which IRC Section 59(e) election may apply. Attach schedule				
		2 Type of expenditures				
		d Deductions related to portfolio income				
		e Other deductions. Attach schedule				
Alternative Minimum Tax (AMT) Items	15	a Withholding on partnership allocated to all partners				
		b Low-income housing credit				
		c Credits other than the credit shown on line 15b related to rental real estate activities				
		d Credits related to other rental activities				
		e Nonconsenting nonresident members' tax allocated to all partners				
		f Other credits				
		g New Jobs Credit				
Other Information	17	a Depreciation adjustment on property placed in service after 1986				
		b Adjusted gain or loss				
		c Depletion (other than oil and gas)				
		d Gross income from oil, gas, and geothermal properties				
		e Deductions allocable to oil, gas, and geothermal properties				
		f Other alternative minimum tax items				
Analysis	18	a Tax-exempt interest income				
		b Other tax-exempt income				
		c Nondeductible expenses				
Analysis	19	a Distributions of money (cash and marketable securities)				
		b Distribution of property other than money				
	20	a Investment income				
	b Investment expenses					
	c Other information. See instructions					
Analysis	21	a Total distributive income-payment items. Combine lines 1, 2, and 3c through 11c. From the result, subtract the sum of lines 12 through 13e	(16868)		(16868)	
	b	Analysis by type of partner	(a) Corporate	(b) Individual i. Active ii. Passive	(c) Partnership	(d) Exempt Organization
	(1) General partners		TWO			
	(2) Limited partners					

NOT REQUIRED

Schedule L Balance Sheets. See the instructions for Question O before completing Schedules L, M-1, and M-2.

	Beginning of income year		End of income year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				
2 a Trade notes and accounts receivable				
b Less allowance for bad debts	()	()	()	()
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets. Attach schedule				
7 Mortgage and real estate loans				
8 Other investments. Attach schedule				
9 a Buildings and other depreciable assets				
b Less accumulated depreciation	()	()	()	()
10 a Depletable assets				
b Less accumulated depletion	()	()	()	()
11 Land (net of any amortization)				
12 a Intangible assets (amortizable only)				
b Less accumulated amortization	()	()	()	()
13 Other assets. Attach schedule				
14 Total assets				
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities. Attach schedule				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities. Attach schedule				
21 Partners' capital accounts				
22 Total liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return. Use total amount under California law. If the partnership completed federal Schedule M-3 (Form 1065), see instructions.

1 Net income (loss) per books		6 Income recorded on books this year not included on Schedule K, line 1 through line 11c. Itemize:	
2 Income included on Schedule K, line 1 through line 11c, not recorded on books this year. Itemize:		a Tax-exempt interest	\$
3 Guaranteed payments (other than health insurance)		b Other	\$
4 Expenses recorded on books this year not included on Schedule K, line 1 through line 13e. Itemize:		c Total. Add line 6a and line 6b	
a Depreciation	\$	7 Deductions included on Schedule K, line 1 through line 13e, not charged against book income this year. Itemize:	
b Travel and entertainment	\$	a Depreciation	\$
c Limited partnership tax	\$	b Other	\$
d Other	\$	c Total. Add line 7a and line 7b	
e Total. Add line 4a through 4d		8 Total. Add line 6c and line 7c	
5 Total of line 1 through line 4e		9 Income (loss) (Schedule K, line 21a). Subtract line 8 from line 5	

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year		5 Total of line 1 through line 4	
2 Capital contributed during year:		6 Distributions:	
a Cash		a Cash	
b Property		b Property	
3 Net income (loss) per books		7 Other decreases. Itemize	
4 Other increases. Itemize			
		8 Total of line 6 and line 7	
		9 Balance at end of year. Subtract line 8 from line 5	

U.S. Return of Partnership Income

For calendar year 2009, or tax year beginning _____, 2009, ending _____, 20

▶ See separate instructions.

COPY
OMB No. 1545-0049
2009

A Principal business activity OPTOMETRY	Use the IRS label. Otherwise, print or type.	Name of partnership C/O. REGGIE L. RAGSDALE OPTOMETRIC CENTER OF MORENO VALLEY	D Employer identification number [REDACTED]
B Principal product or service SERVICE		Number, street, and room or suite no. If a P.O. box, see the instructions. [REDACTED]	E Date business started 010191
C Business code number 812112		City or town, state, and ZIP code [REDACTED]	F Total assets (see the instructions) NOT REQUIRED

- G** Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return (6) Technical termination - also check (1) or (2)
- H** Check accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶
- I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ **TWO**
- J** Check if Schedules C and M-3 are attached

Caution. Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a Gross receipts or sales	1a		1c	119187
	b Less returns and allowances	1b			
	2 Cost of goods sold (Schedule A, line 8)			2	0
	3 Gross profit. Subtract line 2 from line 1c			3	119187
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			4	0
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5	0
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			6	0
	7 Other income (loss) (attach statement)			7	0
8 Total income (loss). Combine lines 3 through 7			8	119187	
Deductions (see the instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)			9	0
	10 Guaranteed payments to partners			10	33400
	11 Repairs and maintenance			11	0
	12 Bad debts			12	0
	13 Rent			13	21015
	14 Taxes and licenses			14	1723
	15 Interest			15	15413
	16a Depreciation (if required, attach Form 4562)	16a			
	b Less depreciation reported on Schedule A and elsewhere on return	16b			
	16c			16c	0
	17 Depletion (Do not deduct oil and gas depletion.)			17	0
	18 Retirement plans, etc.			18	0
	19 Employee benefit programs			19	0
	20 Other deductions (attach statement)			20	57550
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20.			21	129101	
22 Ordinary business income (loss). Subtract line 21 from line 8			22	(9914)	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

REGGIE RAGSDALE
Signature of general partner or limited liability company member manager

091210
Date

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only

Preparer's signature **M. P. UMBERGER**

Date **091210**

Check if self-employed

Preparer's SSN or PTIN [REDACTED]

Firm's name (or yours if self-employed), address, and ZIP code [REDACTED]

Phone no. [REDACTED]

Schedule A Cost of Goods Sold (see the instructions)

1	Inventory at beginning of year	1	
2	Purchases less cost of items withdrawn for personal use	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2.	8	

9a Check all methods used for valuing closing inventory:

(i) Cost as described in Regulations section 1.471-3

(ii) Lower of cost or market as described in Regulations section 1.471-4

(iii) Other (specify method used and attach explanation) ▶

b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ▶

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? Yes No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No

If "Yes," attach explanation.

Schedule B Other Information

	Yes	No
1 What type of entity is filing this return? Check the applicable box:		
a <input checked="" type="checkbox"/> Domestic general partnership		
b <input type="checkbox"/> Domestic limited partnership		
c <input type="checkbox"/> Domestic limited liability company		
d <input type="checkbox"/> Domestic limited liability partnership		
e <input type="checkbox"/> Foreign partnership		
f <input type="checkbox"/> Other ▶		
2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?		X
3 At the end of the tax year:		
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership		X
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership		
4 At the end of the tax year, did the partnership:		
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

OMB No. 1545-0047

File a separate application for each return.
See separate instructions.

Type or Print File by the due date for the return for which an extension is requested. See instructions.	Name OPTOMETRIC CENTER OF MORENO VALLEY	Identifying number [REDACTED]
	Number, street, and room or suite no. (if P.O. box, see instructions.) [REDACTED]	
	City, town, state, and ZIP code (if a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)). [REDACTED]	

Note. See instructions before completing this form.

Part I Automatic 5-Month Extension Complete if Filing Form 1065, 1041, or 8804

1a Enter the form code for the return that this application is for (see below) 09

Application Is For:	Form Code	Application Is For:	Form Code
Form 1065	09	Form 1041 (estate)	04
Form 8804	31	Form 1041 (trust)	05

Part II Automatic 6-Month Extension Complete if Filing Other Forms

b Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-PC	21
Form 706-GS(T)	02	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120S	25
Form 1065-B	10	Form 1120-SF	26
Form 1066	11	Form 3520-A	27
Form 1120	12	Form 8612	28
Form 1120-C	34	Form 8613	29
Form 1120-F	15	Form 8725	30
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8876	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36
Form 1120-ND (section 4951 taxes)	20		

- 2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here
- 3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here
If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

Part III All Filers Must Complete This Part

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here

5a The application is for calendar year 20⁰⁹, or tax year beginning 20 and ending 20

b Short tax year. If this tax year is less than 12 months, check the reason:
 Initial return Final return Change in accounting period Consolidated return to be filed

6 Tentative total tax	6
7 Total payments and credits (see instructions)	7
8 Balance due. Subtract line 7 from line 6. Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW) (see instructions for exceptions)	8 0

OPTOMETRIC CENTER OF MORENO VALLEY [REDACTED] CY09

JANUARY THRU DECEMBER 31, 2009

GROSS REVENUES.....	119187
COST OF GOODS SOLD:	0
GROSS PROFIT	119187
ORD INC FROM OTHER PARTNERSHIPS	0
FROM 4797.....	0
OTHER INTERST.....	0

TOTAL INCOME.....	119187
DEDUCTIONS	
SALARIES.....	0
GUAR PAYMNTS.....	33400
REPAIRS	0
BAD DEBTS	0
RENT.....	21015
TAXES	1723
INTEREST.....	15413
DEPRECIATION	0
RETIRMNT	0
EMPLOY BEN	0
OTHER.....	57550

TOTAL DEDUCTIONS.....	129101

NET INCOME.....	-9914
	=====

OTHER	ADVERTISING PROMOTIONS		436
	AIRFARE		423
	AMORTZTN BUS DEVLPMNT		1636
	BANK CHRG		134
	CELLUAR TELEPHONE VERIZON		3904
	CHRISTMAS PARTY+TREE		493
	COMMUNITY CHEST		75
	COMPANY RETREAT CO		9208
	CONTINUING EDUCTION-SEMINAR		1541
	DUES DEA LIC & REG PAL		297
	ENTERTAINMNT/MEALS	884	442
	HOME OWNERS ASSN		297
	INSURANCE.....		560
	LODGING		8547
	LAUNDRY CLEANING		208
	LEGAL PRFSNL FEE LISA ADAMS		3500
	LICENSES		50
	MANGMNT MARKETNG SERVICES		12
	MEMBERSHIPS		90
	MILEAGE RMBRS-MV	26010	14306
	OFFICE EXP		3301
	OPTOMETRY ASSN NATIONAL&CAL		1869
	OPTOMETRY BOARD CALIFORNIA.		300
	POSTAGE		132
	PROFEES..		2100
	TELEPHONE		112
	TRAVEL @IRS MIN PR DM..		2418
	UNIFORMS		239
	UTILITIES.....		777
	WASTE MNGMNT		144

	TOTAL OTHERS.....		57550
			=====

Installment Sale Income

Department of the Treasury
Internal Revenue Service

▶ Attach to your tax return.
▶ Use a separate form for each sale or other disposition of property on the installment method.

Name(s) shown on return

OPTOMETRIC CENTERS OF MORENO VALLEY

Identifying number

- 1 Description of property ▶ **1/3 INTEREST OF OPTOMETRIC CENTERS**
- 2a Date acquired (mm/dd/yyyy) ▶ **01 01 93** b Date sold (mm/dd/yyyy) ▶ **01 01 06**
- 3 Was the property sold to a related party (see instructions) after May 14, 1980? If "No," skip line 4 Yes No
- 4 Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III for the year of sale and the 2 years after the year of sale Yes No

Part I Gross Profit and Contract Price. Complete this part for the year of sale only.

5	Selling price including mortgages and other debts. Do not include interest whether stated or unstated	5	
6	Mortgages, debts, and other liabilities the buyer assumed or took the property subject to (see instructions)	6	
7	Subtract line 6 from line 5.	7	
8	Cost or other basis of property sold	8	
9	Depreciation allowed or allowable	9	
10	Adjusted basis. Subtract line 9 from line 8	10	
11	Commissions and other expenses of sale	11	
12	Income recapture from Form 4797, Part III (see instructions)	12	
13	Add lines 10, 11, and 12	13	
14	Subtract line 13 from line 5. If zero or less, do not complete the rest of this form (see instructions)	14	
15	If the property described on line 1 above was your main home, enter the amount of your excluded gain (see instructions). Otherwise, enter -0-	15	
16	Gross profit. Subtract line 15 from line 14	16	
17	Subtract line 13 from line 6. If zero or less, enter -0-	17	
18	Contract price. Add line 7 and line 17	18	

Part II Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

19	Gross profit percentage (expressed as a decimal amount). Divide line 16 by line 18. For years after the year of sale, see instructions	19	51.67 %
20	If this is the year of sale, enter the amount from line 17. Otherwise, enter -0-	20	
21	Payments received during year (see instructions). Do not include interest, whether stated or unstated	21	55815
22	Add lines 20 and 21	22	55815
23	Payments received in prior years (see instructions). Do not include interest, whether stated or unstated	23	153422
24	Installment sale income. Multiply line 22 by line 19	24	28838
25	Enter the part of line 24 that is ordinary income under the recapture rules (see instructions)	25	0
26	Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797 (see instructions).	26	28838

Part III Related Party Installment Sale Income. Do not complete if you received the final payment this tax year.

- 27 Name, address, and taxpayer identifying number of related party
- 28 Did the related party resell or dispose of the property ("second disposition") during this tax year? Yes No
- 29 If the answer to question 28 is "Yes," complete lines 30 through 37 below unless one of the following conditions is met. Check the box that applies.
 - a The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (mm/dd/yyyy) ▶
 - b The first disposition was a sale or exchange of stock to the issuing corporation.
 - c The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.
 - d The second disposition occurred after the death of the original seller or buyer.
 - e It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation (see instructions).
- 30 Selling price of property sold by related party (see instructions)
- 31 Enter contract price from line 18 for year of first sale
- 32 Enter the smaller of line 30 or line 31
- 33 Total payments received by the end of your 2009 tax year (see instructions)
- 34 Subtract line 33 from line 32. If zero or less, enter -0-
- 35 Multiply line 34 by the gross profit percentage on line 19 for year of first sale
- 36 Enter the part of line 35 that is ordinary income under the recapture rules (see instructions)
- 37 Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797 (see instructions)

Schedule K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

2009

For calendar year 2009, or tax
year beginning _____, 2009
ending _____, 20

Final K-1 Amended K-1

651109
OMB No. 1545-0099

**Partner's Share of Income, Deductions,
Credits, etc.** ▶ See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
[REDACTED]

B Partnership's name, address, city, state, and ZIP code
OPTOMETRIC CENTER OF MORENO VALLEY
[REDACTED]

C IRS Center where partnership filed return
OGDEN UTAH

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
[REDACTED]

F Partner's name, address, city, state, and ZIP code
JACQUE L. RAGSDALE
[REDACTED]

G General partner or LLC member-manager Limited partner or other LLC member

H Domestic partner Foreign partner

I What type of entity is this partner? **INDIVIDUAL**

J Partner's share of profit, loss, and capital (see instructions):

	Beginning		Ending	
Profit	01	%	01	%
Loss	01	%	01	%
Capital	01	%	01	%

K Partner's share of liabilities at year end:

Nonrecourse	\$	01	\$
Qualified nonrecourse financing	\$	01	\$
Recourse	\$	01	\$

L Partner's capital account analysis:

Beginning capital account	\$	
Capital contributed during the year	\$	
Current year increase (decrease)	\$	
Withdrawals & distributions	\$	()
Ending capital account	\$	

Tax basis GAAP Section 704(b) book
 Other (explain)

M Did the partner contribute property with a built-in gain or loss?
 Yes No
If "Yes", attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1 Ordinary business income (loss) (99)	15 Credits
2 Net rental real estate income (loss)	
3 Other net rental income (loss)	16 Foreign transactions
4 Guaranteed payments 400	
5 Interest income 388	
6a Ordinary dividends	
6b Qualified dividends	
7 Royalties	
8 Net short-term capital gain (loss)	
9a Net long-term capital gain (loss) 288	17 Alternative minimum tax (AMT) items
9b Collectibles (28%) gain (loss)	
9c Unrecaptured section 1250 gain	
10 Net section 1231 gain (loss)	18 Tax-exempt income and nondeductible expenses
11 Other income (loss)	
12 Section 179 deduction	19 Distributions
13 Other deductions	
14 Self-employment earnings (loss) 301	20 Other information

*See attached statement for additional information.

For IRS Use Only

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.
 - Passive loss Report on See the Partner's Instructions
 - Passive income Schedule E, line 28, column (g)
 - Nonpassive loss Schedule E, line 28, column (h)
 - Nonpassive income Schedule E, line 28, column (i)
2. Net rental real estate income (loss) See the Partner's Instructions
3. Other net rental income (loss)
 - Net income Schedule E, line 28, column (g)
 - Net loss See the Partner's Instructions
4. Guaranteed payments Schedule E, line 28, column (j)
5. Interest income Form 1040, line 8a
- 6a. Ordinary dividends Form 1040, line 9a
- 6b. Qualified dividends Form 1040, line 9b
7. Royalties Schedule E, line 4
8. Net short-term capital gain (loss) Schedule D, line 5, column (f)
- 9a. Net long-term capital gain (loss) Schedule D, line 12, column (f)
- 9b. Collectibles (28%) gain (loss) 28% Rate Gain Worksheet, line 4 (Schedule D instructions)
- 9c. Unrecaptured section 1250 gain See the Partner's Instructions
10. Net section 1231 gain (loss) See the Partner's Instructions
11. Other income (loss)
 - Code See the Partner's Instructions
 - A Other portfolio income (loss) See the Partner's Instructions
 - B Involuntary conversions See the Partner's Instructions
 - C Sec. 1256 contracts & straddles Form 5781, line 1
 - D Mining exploration costs recapture See Pub. 535
 - E Cancellation of debt Form 1040, line 21 or Form 982
 - F Other income (loss) See the Partner's Instructions
12. Section 179 deduction See the Partner's Instructions
13. Other deductions
 - A Cash contributions (50%) } See the Partner's Instructions
 - B Cash contributions (30%) }
 - C Noncash contributions (50%) }
 - D Noncash contributions (30%) }
 - E Capital gain property to a 50% organization (30%) }
 - F Capital gain property (20%) }
 - G Contributions (100%) }
 - H Investment interest expense Form 4952, line 1
 - I Deductions—royalty income Schedule E, line 18
 - J Section 59(e)(2) expenditures See the Partner's Instructions
 - K Deductions—portfolio (2% floor) Schedule A, line 23
 - L Deductions—portfolio (other) Schedule A, line 28
 - M Amounts paid for medical insurance Schedule A, line 1 or Form 1040, line 29
 - N Educational assistance benefits See the Partner's Instructions
 - O Dependent care benefits Form 2441, line 14
 - P Preproductive period expenses See the Partner's Instructions
 - Q Commercial revitalization deduction from rental real estate activities See Form 8582 Instructions
 - R Pensions and IRAs See the Partner's Instructions
 - S Reforestation expense deduction See the Partner's Instructions
 - T Domestic production activities information See Form 8903 Instructions
 - U Qualified production activities income Form 8903, line 7
 - V Employer's Form W-2 wages Form 8903, line 15
 - W Other deductions See the Partner's Instructions
14. Self-employment earnings (loss)
 - Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.
 - A Net earnings (loss) from self-employment Schedule SE, Section A or B
 - B Gross farming or fishing income See the Partner's Instructions
 - C Gross non-farm income See the Partner's Instructions
15. Credits
 - A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings See the Partner's Instructions
 - B Low-income housing credit (other) from pre-2008 buildings See the Partner's Instructions
 - C Low-income housing credit (section 42(j)(5)) from post-2007 buildings Form 8586, line 11
 - D Low-income housing credit (other) from post-2007 buildings Form 8586, line 11
 - E Qualified rehabilitation expenditures (rental real estate) } See the Partner's Instructions
 - F Other rental real estate credits }
 - G Other rental credits }
 - H Undistributed capital gains credit Form 1040, line 70; check box a
 - I Alcohol and cellulosic biofuel fuels credit Form 6478, line 7
 - J Work opportunity credit Form 5884, line 3

- | Code | Report on |
|---|---|
| K Disabled access credit | See the Partner's Instructions |
| L Empowerment zone and renewal community employment credit | Form 8844, line 3 |
| M Credit for increasing research activities | See the Partner's Instructions |
| N Credit for employer social security and Medicare taxes | Form 8846, line 5 |
| O Backup withholding | Form 1040, line 61 |
| P Other credits | See the Partner's Instructions |
| 16. Foreign transactions | |
| A Name of country or U.S. possession | } Form 1116, Part I |
| B Gross income from all sources | |
| C Gross income sourced at partner level | |
| <i>Foreign gross income sourced at partnership level</i> | |
| D Passive category | } Form 1116, Part I |
| E General category | |
| F Other | |
| <i>Deductions allocated and apportioned at partner level</i> | |
| G Interest expense | Form 1116, Part I |
| H Other | Form 1116, Part I |
| <i>Deductions allocated and apportioned at partnership level to foreign source income</i> | |
| I Passive category | } Form 1116, Part I |
| J General category | |
| K Other | |
| <i>Other information</i> | |
| L Total foreign taxes paid | Form 1116, Part II |
| M Total foreign taxes accrued | Form 1116, Part II |
| N Reduction in taxes available for credit | Form 1116, line 12 |
| O Foreign trading gross receipts | Form 8673 |
| P Extraterritorial income exclusion | Form 8673 |
| Q Other foreign transactions | See the Partner's Instructions |
| 17. Alternative minimum tax (AMT) items | |
| A Post-1986 depreciation adjustment | } See the Partner's Instructions and the Instructions for Form 6251 |
| B Adjusted gain or loss | |
| C Depletion (other than oil & gas) | |
| D Oil, gas, & geothermal—gross income | |
| E Oil, gas, & geothermal—deductions | |
| F Other AMT items | |
| 18. Tax-exempt income and nondeductible expenses | |
| A Tax-exempt interest income | Form 1040, line 8b |
| B Other tax-exempt income | See the Partner's Instructions |
| C Nondeductible expenses | See the Partner's Instructions |
| 19. Distributions | |
| A Cash and marketable securities | } See the Partner's Instructions |
| B Distribution subject to section 737 | |
| C Other property | |
| 20. Other information | |
| A Investment income | Form 4952, line 4a |
| B Investment expenses | Form 4952, line 5 |
| C Fuel tax credit information | Form 4136 |
| D Qualified rehabilitation expenditures (other than rental real estate) | See the Partner's Instructions |
| E Basis of energy property | See the Partner's Instructions |
| F Recapture of low-income housing credit (section 42(j)(5)) | Form 8611, line 8 |
| G Recapture of low-income housing credit (other) | Form 8611, line 8 |
| H Recapture of investment credit | See Form 4255 |
| I Recapture of other credits | See the Partner's Instructions |
| J Look-back interest—completed long-term contracts | See Form 8697 |
| K Look-back interest—income forecast method | See Form 8666 |
| L Dispositions of property with section 179 deductions | } See the Partner's Instructions |
| M Recapture of section 179 deduction | |
| N Interest expense for corporate partners | |
| O Section 453(j)(3) information | |
| P Section 453A(c) information | |
| Q Section 1260(b) information | |
| R Interest allocable to production expenditures | |
| S CCF nonqualified withdrawals | |
| T Depletion information—oil and gas | |
| U Amortization of reforestation costs | |
| V Unrelated business taxable income | |
| W Precontribution gain (loss) | |
| X Section 108(i) information | |
| Y Other information | |



Schedule K-1 (Form 1065)

2009

Department of the Treasury Internal Revenue Service

For calendar year 2009, or tax year beginning _____, 2009 ending _____, 20

Partner's Share of Income, Deductions, Credits, etc. See book of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
B Partnership's name, address, city, state, and ZIP code
OPTOMETRIC CENTER OF MORENO VALLEY
C IRS Center where partnership filed return
OGDEN UTAH
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
F Partner's name, address, city, state, and ZIP code
REGGIE L. RAGSDALE
G General partner or LLC member-manager
H Domestic partner
I What type of entity is this partner? INDIVIDUAL
J Partner's share of profit, loss, and capital
K Partner's share of liabilities at year end

L Partner's capital account analysis:
Beginning capital account
Capital contributed during the year
Current year increase (decrease)
Withdrawals & distributions
Ending capital account

M Did the partner contribute property with a built-in gain or loss?
If "Yes", attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 2 columns: Item number and Description. Rows include: 1 Ordinary business income (loss) (9915), 2 Net rental real estate income (loss), 3 Other net rental income (loss), 4 Guaranteed payments (33000), 5 Interest income (38432), 6a Ordinary dividends, 6b Qualified dividends, 7 Royalties, 8 Net short-term capital gain (loss), 9a Net long-term capital gain (loss) (28550), 9b Collectibles (28%) gain (loss), 9c Unrecaptured section 1250 gain, 10 Net section 1231 gain (loss), 11 Other income (loss), 12 Section 179 deduction, 13 Other deductions, 14 Self-employment earnings (loss) (23085), 15 Credits, 16 Foreign transactions, 17 Alternative minimum tax (AMT) items, 18 Tax-exempt income and nondeductible expenses, 19 Distributions, 20 Other information

*See attached statement for additional information. For IRS Use Only

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.
- | | |
|-------------------|---------------------------------|
| | Report on |
| Passive loss | See the Partner's Instructions |
| Passive income | Schedule E, line 28, column (g) |
| Nonpassive loss | Schedule E, line 28, column (h) |
| Nonpassive income | Schedule E, line 28, column (i) |
2. Net rental real estate income (loss) See the Partner's Instructions
3. Other net rental income (loss)
- | | |
|------------|---------------------------------|
| Net income | Schedule E, line 28, column (g) |
| Net loss | See the Partner's Instructions |
4. Guaranteed payments Schedule E, line 28, column (f)
5. Interest income Form 1040, line 8a
- 6a. Ordinary dividends Form 1040, line 9a
- 6b. Qualified dividends Form 1040, line 9b
7. Royalties Schedule E, line 4
8. Net short-term capital gain (loss) Schedule D, line 5, column (f)
- 9a. Net long-term capital gain (loss) Schedule D, line 12, column (f)
- 9b. Collectibles (28%) gain (loss) 28% Rate Gain Worksheet, line 4 (Schedule D instructions)
- 9c. Unrecaptured section 1250 gain See the Partner's Instructions
10. Net section 1231 gain (loss) See the Partner's Instructions
11. Other income (loss)
- | | |
|--------------------------------------|--------------------------------|
| Code | Report on |
| A Other portfolio income (loss) | See the Partner's Instructions |
| B Involuntary conversions | See the Partner's Instructions |
| C Sec. 1256 contracts & straddles | Form 6781, line 1 |
| D Mining exploration costs recapture | See Pub. 535 |
| E Cancellation of debt | Form 1040, line 21 or Form 982 |
| F Other income (loss) | See the Partner's Instructions |
12. Section 179 deduction See the Partner's Instructions
13. Other deductions
- | | |
|--|--|
| A Cash contributions (50%) | See the Partner's Instructions |
| B Cash contributions (30%) | |
| C Noncash contributions (50%) | |
| D Noncash contributions (30%) | |
| E Capital gain property to a 50% organization (30%) | |
| F Capital gain property (20%) | |
| G Contributions (100%) | |
| H Investment interest expense | Form 4952, line 1 |
| I Deductions—royalty income | Schedule E, line 18 |
| J Section 59(e)(2) expenditures | See the Partner's Instructions |
| K Deductions—portfolio (2% floor) | Schedule A, line 23 |
| L Deductions—portfolio (other) | Schedule A, line 28 |
| M Amounts paid for medical insurance | Schedule A, line 1 or Form 1040, line 29 |
| N Educational assistance benefits | See the Partner's Instructions |
| O Dependent care benefits | Form 2441, line 14 |
| P Preproductive period expenses | See the Partner's Instructions |
| Q Commercial revitalization deduction from rental real estate activities | See Form 8582 Instructions |
| R Pensions and IRAs | See the Partner's Instructions |
| S Reforestation expense deduction | See the Partner's Instructions |
| T Domestic production activities information | See Form 8903 Instructions |
| U Qualified production activities income | Form 8903, line 7 |
| V Employer's Form W-2 wages | Form 8903, line 15 |
| W Other deductions | See the Partner's Instructions |
14. Self-employment earnings (loss)
- Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.
- | | |
|--|--------------------------------|
| A Net earnings (loss) from self-employment | Schedule SE, Section A or B |
| B Gross farming or fishing income | See the Partner's Instructions |
| C Gross non-farm income | See the Partner's Instructions |
15. Credits
- | | |
|---|---------------------------------|
| A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings | See the Partner's Instructions |
| B Low-income housing credit (other) from pre-2008 buildings | See the Partner's Instructions |
| C Low-income housing credit (section 42(j)(5)) from post-2007 buildings | Form 8586, line 11 |
| D Low-income housing credit (other) from post-2007 buildings | Form 8586, line 11 |
| E Qualified rehabilitation expenditures (rental real estate) | See the Partner's Instructions |
| F Other rental real estate credits | |
| G Other rental credits | |
| H Undistributed capital gains credit | Form 1040, line 70; check box a |
| I Alcohol and cellulosic biofuel fuels credit | Form 8478, line 7 |
| J Work opportunity credit | Form 5884, line 3 |

- | | |
|--|--------------------------------|
| Code | Report on |
| K Disabled access credit | See the Partner's Instructions |
| L Empowerment zone and renewal community employment credit | Form 8844, line 3 |
| M Credit for increasing research activities | See the Partner's Instructions |
| N Credit for employer social security and Medicare taxes | Form 8846, line 5 |
| O Backup withholding | Form 1040, line 61 |
| P Other credits | See the Partner's Instructions |
16. Foreign transactions
- | | |
|---|-------------------|
| A Name of country or U.S. possession | Form 1116, Part I |
| B Gross income from all sources | |
| C Gross income sourced at partner level | |
| <i>Foreign gross income sourced at partnership level</i> | |
| D Passive category | Form 1116, Part I |
| E General category | |
| F Other | |
| <i>Deductions allocated and apportioned at partner level</i> | |
| G Interest expense | Form 1116, Part I |
| H Other | Form 1116, Part I |
| <i>Deductions allocated and apportioned at partnership level to foreign source income</i> | |
| I Passive category | Form 1116, Part I |
| J General category | |
| K Other | |
- Other information**
- | | |
|---|--------------------------------|
| L Total foreign taxes paid | Form 1116, Part II |
| M Total foreign taxes accrued | Form 1116, Part II |
| N Reduction in taxes available for credit | Form 1116, Part II |
| O Foreign trading gross receipts | Form 8873 |
| P Extraterritorial income exclusion | Form 8873 |
| Q Other foreign transactions | See the Partner's Instructions |
17. Alternative minimum tax (AMT) items
- | | |
|---------------------------------------|---|
| A Post-1986 depreciation adjustment | See the Partner's Instructions and the instructions for Form 6251 |
| B Adjusted gain or loss | |
| C Depletion (other than oil & gas) | |
| D Oil, gas, & geothermal—gross income | |
| E Oil, gas, & geothermal—deductions | |
| F Other AMT items | |
18. Tax-exempt income and nondeductible expenses
- | | |
|------------------------------|--------------------------------|
| A Tax-exempt interest income | Form 1040, line 8b |
| B Other tax-exempt income | See the Partner's Instructions |
| C Nondeductible expenses | See the Partner's Instructions |
19. Distributions
- | | |
|---------------------------------------|--------------------------------|
| A Cash and marketable securities | See the Partner's Instructions |
| B Distribution subject to section 737 | |
| C Other property | |
20. Other information
- | | |
|---|--------------------------------|
| A Investment income | Form 4952, line 4a |
| B Investment expenses | Form 4952, line 5 |
| C Fuel tax credit information | Form 4136 |
| D Qualified rehabilitation expenditures (other than rental real estate) | See the Partner's Instructions |
| E Basis of energy property | See the Partner's Instructions |
| F Recapture of low-income housing credit (section 42(j)(5)) | Form 8611, line 8 |
| G Recapture of low-income housing credit (other) | Form 8611, line 8 |
| H Recapture of investment credit | See Form 4255 |
| I Recapture of other credits | See the Partner's Instructions |
| J Look-back interest—completed long-term contracts | See Form 8697 |
| K Look-back interest—income forecast method | See Form 8666 |
| L Dispositions of property with section 179 deductions | See the Partner's Instructions |
| M Recapture of section 179 deduction | |
| N Interest expense for corporate partners | |
| O Section 453(f)(3) information | See the Partner's Instructions |
| P Section 453A(c) information | |
| Q Section 1260(b) information | |
| R Interest allocable to production expenditures | |
| S CCF nonqualified withdrawals | |
| T Depletion information—oil and gas | |
| U Amortization of reforestation costs | |
| V Unrelated business taxable income | |
| W Precontribution gain (loss) | |
| X Section 108(f) information | |
| Y Other information | |



	Yes	No
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details IS BY DEFINITION A SMALL PARTNERSHIP		N/A
6 Does the partnership satisfy all four of the following conditions? a The partnership's total receipts for the tax year were less than \$250,000. b The partnership's total assets at the end of the tax year were less than \$1 million. c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. d The partnership is not filing and is not required to file Schedule M-3 If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.	X	
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		X
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
10 At any time during calendar year 2009, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country. ▶		X
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.		X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than entities wholly-owned by the partnership throughout the tax year) ▶ <input type="checkbox"/>		
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ▶		
16 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶		

Designation of Tax Matters Partner (see instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP	REGGIE RAGSDALE	Identifying number of TMP	[REDACTED]
If the TMP is an entity, name of TMP representative		Phone number of TMP	
Address of designated TMP	[REDACTED]		

Schedule K		Partners' Distributive Share Items	Total amount	
Income (Loss)	1	Ordinary business income (loss) (page 1, line 22)	1	(9914)
	2	Net rental real estate income (loss) (attach Form 8825)	2	
	3a	Other gross rental income (loss)	3a	
	b	Expenses from other rental activities (attach statement)	3b	
	c	Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4	Guaranteed payments	4	33400
	5	Interest income	5	38820
	6	Dividends: a Ordinary dividends	6a	
	b	Qualified dividends	6b	
	7	Royalties	7	
	8	Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	
9a	Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	28838	
b	Collectibles (28%) gain (loss)	9b		
c	Unrecaptured section 1250 gain (attach statement)	9c		
10	Net section 1231 gain (loss) (attach Form 4797)	10		
11	Other income (loss) (see instructions) Type ▶	11		
Deductions	12	Section 179 deduction (attach Form 4562)	12	
	13a	Contributions	13a	
	b	Investment interest expense	13b	
	c	Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)	
d	Other deductions (see instructions) Type ▶	13d		
Self-Employment	14a	Net earnings (loss) from self-employment	14a	23486
	b	Gross farming or fishing income	14b	
	c	Gross nonfarm income	14c	
Credits	15a	Low-income housing credit (section 42(j)(5))	15a	
	b	Low-income housing credit (other)	15b	
	c	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	
	d	Other rental real estate credits (see instructions) Type ▶	15d	
	e	Other rental credits (see instructions) Type ▶	15e	
	f	Other credits (see instructions) Type ▶	15f	
Foreign Transactions	16a	Name of country or U.S. possession ▶		
	b	Gross income from all sources	16b	
	c	Gross income sourced at partner level Foreign gross income sourced at partnership level	16c	
	d	Passive category ▶ e General category ▶ f Other ▶	16f	
		Deductions allocated and apportioned at partner level		
	g	Interest expense ▶ h Other ▶	16h	
		Deductions allocated and apportioned at partnership level to foreign source income		
	i	Passive category ▶ j General category ▶ k Other ▶	16k	
	l	Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	16l	
	m	Reduction in taxes available for credit (attach statement)	16m	
n	Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	17a	Post-1986 depreciation adjustment	17a	
	b	Adjusted gain or loss	17b	
	c	Depletion (other than oil and gas)	17c	
	d	Oil, gas, and geothermal properties—gross income	17d	
	e	Oil, gas, and geothermal properties—deductions	17e	
	f	Other AMT items (attach statement)	17f	
Other Information	18a	Tax-exempt interest income	18a	
	b	Other tax-exempt income	18b	
	c	Nondeductible expenses	18c	
	19a	Distributions of cash and marketable securities	19a	
	b	Distributions of other property	19b	
	20a	Investment income	20a	
	b	Investment expenses	20b	
c	Other items and amounts (attach statement)			

Analysis of Net Income (Loss)

1	Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l					1	91144
2	Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other
a	General partners		TWO				
b	Limited partners						

Schedule L		Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)		
NO REQUIRED							
1	Cash						
2a	Trade notes and accounts receivable						
b	Less allowance for bad debts						
3	Inventories						
4	U.S. government obligations						
5	Tax-exempt securities						
6	Other current assets (attach statement)						
7	Mortgage and real estate loans						
8	Other investments (attach statement)						
9a	Buildings and other depreciable assets						
b	Less accumulated depreciation						
10a	Depletable assets						
b	Less accumulated depletion						
11	Land (net of any amortization)						
12a	Intangible assets (amortizable only)						
b	Less accumulated amortization						
13	Other assets (attach statement)						
14	Total assets						
Liabilities and Capital							
15	Accounts payable						
16	Mortgages, notes, bonds payable in less than 1 year						
17	Other current liabilities (attach statement)						
18	All nonrecourse loans						
19	Mortgages, notes, bonds payable in 1 year or more						
20	Other liabilities (attach statement)						
21	Partners' capital accounts						
22	Total liabilities and capital						

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1	Net income (loss) per books		6	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Guaranteed payments (other than health insurance)		7	Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):	
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		a	Depreciation \$	
a	Depreciation \$				
b	Travel and entertainment \$		8	Add lines 6 and 7	
5	Add lines 1 through 4		9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	

Schedule M-2 Analysis of Partners' Capital Accounts

1	Balance at beginning of year		6	Distributions: a Cash	
2	Capital contributed: a Cash		b	Property	
	b Property		7	Other decreases (itemize):	
3	Net income (loss) per books				
4	Other increases (itemize):		8	Add lines 6 and 7	
5	Add lines 1 through 4		9	Balance at end of year. Subtract line 8 from line 5	



2009 Partnership Return of Income

565

For calendar year 2009 or fiscal year beginning month _____ day _____ year _____, and ending month _____ day _____ year _____

Partnership name (type or print) Check box if name changed **C/O REGGIE RAGSDALE**
OPTOMETRIC CENTER OF MORENO VALLEY

JRA **FEIN**
 Secretary of State (SOS) file number

Address (suite, room, PO Box, and PMB no.)

OPTOMETRY

City _____ State _____ ZIP Code _____
Principal product or service (same as federal)
SERVICE

E Check accounting method
(1) Cash (2) Accrual
(3) Other (attach explanation)

F Date business started in CA **010191**

G Enter total assets at end of year. See instructions. **NOT REQUIRED**

H Check the applicable box
(1) Initial return (2) FINAL RETURN
(3) Amended return

I Principal business activity code (same as federal) **812112**

Caution: Include only trade or business income and expenses on line 1a through line 22 below. See the instructions for more information:

Income	1 a Gross receipts or sales \$ _____ b Less returns and allowances \$ _____ c Balance ●	1a	119187	00
	2 Cost of goods sold (Schedule A, line 8)	2		00
	3 GROSS PROFIT. Subtract line 2 from line 1c	3	119187	00
	4 Total ordinary income from other partnerships and fiduciaries. Attach schedule	4		00
	5 Total ordinary loss from other partnerships and fiduciaries. Attach schedule	5		00
	6 Total farm profit-Attach federal Schedule F (Form 1040)	6		00
	7 Total farm loss. Attach federal Schedule F (Form 1040)	7		00
	8 Total gains included on Schedule D-1, Part II, line 17 (gain only)	8		00
	9 Total losses included on Schedule D-1, Part II, line 17 (loss only)	9		00
	10 Other income. Attach schedule	10		00
	11 Other loss. Attach schedule	11		00
	12 Total Income (loss). Combine line 3 through line 11	12	119187	00
Deductions Enclose, but do not staple, any payment.	13 Salaries and wages (other than to partners)	13		00
	14 Guaranteed payments to partners	14	33400	00
	15 Bad debts	15		00
	16 Deductible interest expense not claimed elsewhere on return	16	15413	00
	17 a Depreciation and amortization. Attach form FTB 3885P \$ _____ b Less depreciation reported on Schedule A and elsewhere on return \$ _____ c Balance ●	17a		00
	18 Depletion. Do not deduct oil and gas depletion	18		00
	19 Retirement plans, etc.	19		00
	20 Employee benefit programs	20		00
	21 Other deductions. Attach schedule	21	80288	00
	22 Total deductions. Add line 13 through line 21	22	129101	00
23 Ordinary income (loss) from trade or business activities. Subtract line 22 from line 12	23	(9914)	00	
Payments	24 Tax — \$800.00 (LPs, LLPs, and REMICs only). See instructions	24	0	00
	25 2009 Resident/nonresident or real estate withholding. See instructions	25		00
	26 Amount paid with extension of time to file return (form FTB 3538)	26		00
27 Total payments. Add line 25 and line 26	27		00	
Amount Due or Refund	28 Tax due. If line 24 is more than line 27, subtract line 27 from line 24	28		00
	29 Use Tax. This is not a total line. See instructions.	29		00
	30 Refund. If the total of line 24 and line 29 is less than line 27, subtract the total from line 27	30		00
	31 Penalties and interest	31		00
	32 Total amount due. Add line 24, line 29, and line 31, then subtract line 27 from the result. Make the check or money order payable to the Franchise Tax Board.	32		00

Under penalties of perjury, I declare that I have examined the return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here **REGGIE RAGSDALE** 091210
Signature of general partner Date

Paid Preparer's Use Only
Preparer's signature **M. P. UMBERGER** Date **091210**
Firm's name (or individual preparer's name) **DRS BRYAN DELGONIA** Telephone _____
Preparer's SSN/PTIN _____ FEIN _____

May the FTB disclose this return and the preparer's name and address (see instructions)? Yes No

Schedule A Cost of Goods Sold

1	Inventory at beginning of year	1	00
2	Purchases less cost of items withdrawn for personal use	2	00
3	Cost of labor	3	00
4	Additional IRC Section 263A costs. Attach schedule	4	00
5	Other costs. Attach schedule	5	00
6	Total. Add line 1 through line 5	6	00
7	Inventory at end of year	7	00
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Side 1, line 2.	8	00

- 9 a. Check all methods used for valuing closing inventory:
- (1) Cost (2) Lower of cost or market as described in Treas. Reg. Section 1.471-4 (3) Write down of "subnormal" goods as described in Treas. Reg. Section 1.471-2(c) (4) Other. Specify method used and attach explanation
- b Check this box if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970.
- c Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the partnership? Yes No
- d Was there any change (other than for IRC Section 263A purposes) in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

- J What type of entity is filing this return? Check one only:
- 1 General partnership ● 2 Limited partnership required to pay annual tax (is doing business in California, is registered with SOS, or is organized in California) ● 3 Limited partnership, limited liability company (LLC), or other entity NOT required to pay annual tax (is not doing business in California, is not registered with SOS, and is not organized in California) ● 4 REMIC ● 5 Limited liability partnership ● 6 Other (See instructions)

K Enter the maximum number of partners in this partnership at any time during the year. (Be sure to attach a California Schedule K-1 (565) for each partner)

		TWO	
		Yes	No
L	Is any partner of the partnership related (as defined in IRC Section 267(c)(4)) to any other partner?	X	
M	Is any partner of the partnership a trust for the benefit of any person related (as defined in IRC Section 267(c)(4)) to any other partner?		X
N	Are any partners in this partnership also partnerships or LLCs?		X
O	Does the partnership meet all the requirements shown in the instructions for Question O?	X	
P	Is this partnership a partner in another partnership or LLC? If "Yes," attach a statement with the name(s) and FEIN(s) of each entity		X
Q	Was there a distribution of property or transfer (for example by sale or death) of a partnership interest during the taxable year? If "Yes," see the federal instructions concerning an election to adjust the basis of the partnership's assets under IRC Section 754		X
R	Is this partnership a publicly traded partnership as defined in IRC Section 469(k)(2)?		X
S	Is this partnership under audit by the IRS or has it been audited in a prior year?		X
T	(1) For this taxable year, was there a change in control or majority ownership for this partnership (or any legal entity in which it holds a controlling or majority interest) that owned or (under certain circumstances) leased real property in California?		X
	(2) For this taxable year, did this partnership (or any legal entity in which it holds a controlling or majority interest) acquire control or majority ownership of any other legal entity that owned or (under certain circumstances) leased real property in California?		X
	(3) If this partnership (or any legal entity in which it holds a controlling or majority interest) owned or (under certain circumstances) leased real property in California, has more than 50 percent of the partnership's interest cumulatively transferred in one or more transactions since March 1, 1975, which was not reported on a previous year's tax return?		X
U	(1) Does the partnership have any foreign (non U.S.) nonresident partners?		X
	(2) Does the partnership have any domestic (non-foreign) nonresident partners?		X
	(3) Were Form 592, Form 592-A, Form 592-B, and Form 592-F filed for these partners?	X	
V	Is this an investment partnership? See General Information, Investment Partnerships, in the instructions.		X
W	Is the partnership apportioning income to California using Schedule R?		X
X	Has the partnership included a Reportable Transaction or Listed Transaction within this return? (See instructions for definitions.) If "Yes," complete and attach federal Form 8886 for each transaction		X
Y	Did this partnership file the Federal Schedule M-3 (Form 1065)?		X
Z	Is this partnership a direct owner of an entity that filed a federal Schedule M-3?		X
AA	Does this partnership have a beneficial interest in a trust or is it a grantor of a trust? Attach name, address, and FEIN.		X
BB	Does this partnership own an interest in a business entity disregarded for tax purposes? Attach schedule of disregarded entity names and identification numbers.		X
CC	During the year did this partnership defer any income from the disposition of assets?		X
DD	(1) Did this partnership generate a New Jobs Credit?		X
	(2) If "Yes," enter the generated amount		00
EE	(1) Did this partnership or an entity in which this partnership has an ownership interest elect to defer income from the discharge of indebtedness as described in Section 108(b)(5) for federal purposes?		X
	(2) If "Yes" enter the portion of the discharge of indebtedness attributable to the partnership		00

TAXABLE YEAR

Partner's Share of Income, Deductions, Credits, etc.

CALIFORNIA SCHEDULE

2009

K-1 (565)

For calendar year 2009 or fiscal year beginning month _____ day _____ year _____ and ending month _____ day _____ year _____

Partner's identifying number _____

Partnership's FEIN _____

Partner's name, address, city, state, and ZIP Code

Secretary of State file number _____

Partnership's name, address, city, state, and ZIP Code

REGGIE L. RAGSDALE

OPTOMETRIC CENTER OF MORENO VALLEY

- A** Is this partner a: (1) general partner; or (2) limited partner?
- B** What type of entity is this partner? ●
- (1) Individual (5) General Partnership (9) IRA/Keogh/SEP
 (2) S Corporation (6) Limited Partnership (10) Exempt Organization
 (3) Estate/Trust (7) LLP (11) Disregarded Entity
 (4) C Corporation (8) LLC
- C** Is this partner a foreign partner? ● Yes No
- D** Enter partner's percentage (without regard to special allocations) of:
- | | | |
|----------------------|------------------------------------|------------------|
| | (i) Before decrease or termination | (ii) End of year |
| Profit sharing | 99% | 99% |
| Loss sharing | 99% | 99% |
| Ownership of capital | 99% | 99% |

- E** Partner's share of liabilities:
- Nonrecourse ● \$ 99\$
- Qualified nonrecourse financing ● \$ 99\$
- Other ● \$ 99\$
- F** Reportable transaction or tax shelter registration number(s) _____
- G** (1) Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2)
 (2) Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1)
- H** Check here if this is: ●
- (1) Annual Schedule K-1 (565) (2) An amended Schedule K-1 (565)
- Is this partner a nonresident of California? Yes No

J Analysis of partner's capital account: Check the box ● (1) Tax Basis (2) GAAP (3) Section 704(b) Book (4) Other (explain) _____

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of line 3, line 4, and line 7, Form 565, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine column (a) through column (d))

Caution: Refer to Partner's Instructions for Schedule K-1 (565) before entering information from this schedule on your California return.

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
1	Ordinary income (loss) from trade or business activities	(9915)		(9915)	(9915)
2	Net income (loss) from rental real estate activities				
3	Net income (loss) from other rental activities				
4	Guaranteed payments to partners	33000		33000	33000
5	Interest income	38432		38432	38432
6	Dividends				
7	Royalties				
8	Net short-term capital gain (loss)				
9	Net long-term capital gain (loss)	28550		28550	28550
10 a	Total Gain under IRC Section 1231 (other than due to casualty or theft)				
b	Total Loss under IRC Section 1231 (other than due to casualty or theft)				
11 a	Other net income (loss). Attach schedule				
b	Total other income. Attach schedule				
c	Total other loss. Attach schedule				

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Deductions	12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6 and 17268)				
	13 a Charitable contributions				
	b Investment interest expense				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply				
	2 Type of expenditures				
	d Deductions related to portfolio income				
e Other deductions. Attach schedule					
Credits	15 a Total withholding (equals amount on Form 592-B if calendar year partnership)				
	b Low-income housing credit				
	c Credits other than line 15b related to rental real estate activities				
	d Credits related to other rental activities				
	e Nonconsenting nonresident partner's tax paid by partnership				
	f Other credits - Attach required schedules or statements				
	g New jobs credit				
Alternative Minimum Tax (AMT) Items	17 a Depreciation adjustment on property placed in service after 1986				
	b Adjusted gain or loss				
	c Depletion (other than oil & gas)				
	d Gross income from oil, gas, and geothermal properties				
	e Deductions allocable to oil, gas, and geothermal properties				
	f Other alternative minimum tax items				
Tax-exempt Income and Nondeductible Expenses	18 a Tax-exempt interest income				
	b Other tax-exempt income				
	c Nondeductible expenses				
Distributions	19 a Distributions of money (cash and marketable securities)				
	b Distributions of property other than money				
Other Information	20 a Investment income				
	b Investment expenses				
	c Other information. See instructions				

REGGIE RAGSDALE OPTOMETRIC CENTER OF MORENO VALLEY

Other Partner Information

Table 1 — Partner's share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the partners).

Interest \$ _____ Sec. 1231 Gains/Losses \$ _____ Capital Gains/Losses \$ _____
 Dividends \$ _____ Royalties \$ _____ Other \$ _____

FOR USE BY APPORTIONING UNITARY PARTNERS ONLY — See instructions.

Table 2 — Partner's share of distributive items.

- A. Partner's share of the partnership's business income. See instructions. \$ _____
 B. Partner's share of nonbusiness income from real and tangible personal property sourced or allocable to California.

Capital Gains/Losses \$ _____ Rents/Royalties \$ _____
 Sec. 1231 Gains/Losses \$ _____ Other \$ _____

- C. Partner's distributive share of the partnership's property, payroll, and sales:

Factors	Total within and outside California	Total within California
Property: Beginning	\$	\$
Ending	\$	\$
Annual rent expense	\$	\$
Payroll	\$	\$
Sales	\$	\$

TAXABLE YEAR

Partner's Share of Income, Deductions, Credits, etc.

CALIFORNIA SCHEDULE

2009

K-1 (565)

For calendar year 2009 or fiscal year beginning month _____ day _____ year _____ and ending month _____ day _____ year _____

Partner's identifying number _____
 Partner's name, address, city, state, and ZIP Code

Partnership's FEIN _____
 Secretary of State file number _____
 Partnership's name, address, city, state, and ZIP Code

JACQUE L. RAGSDALE

OPTOMETRIC CENTER OF MORENO VALLEY

- A** Is this partner a (1) general partner or (2) limited partner?
- B** What type of entity is this partner? (1) Individual (5) General Partnership (9) IRA/Keogh/SEP
 (2) S Corporation (6) Limited Partnership (10) Exempt Organization
 (3) Estate/Trust (7) LLP (11) Disregarded Entity
 (4) C Corporation (8) LLC
- C** Is this partner a foreign partner? Yes No
- D** Enter partner's percentage (without regard to special allocations) of:
 Profit sharing: (I) Before decrease or termination: _____ (II) End of year: _____
 Loss sharing: _____
 Ownership of capital: _____

- E** Partner's share of liabilities:
 Nonrecourse \$ _____
 Qualified nonrecourse financing \$ _____
 Other \$ _____
- F** Reportable transaction or tax shelter registration number(s) _____
- G** (1) Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2)
 (2) Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1)
- H** Check here if this is: (1) A final Schedule K-1 (565) (2) An amended Schedule K-1 (565)
- I** Is this partner a nonresident of California? Yes No

J Analysis of partner's capital account: Check the box (1) Tax Basis (2) GAAP (3) Section 704(b) Book (4) Other (explain) _____

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of line 3, line 4, and line 7, Form 565, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine column (a) through column (d))

Caution: Refer to Partner's Instructions for Schedule K-1 (565) before entering information from this schedule on your California return.

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
	1 Ordinary income (loss) from trade or business activities	(99)		(99)	(99)
	2 Net income (loss) from rental real estate activities				
	3 Net income (loss) from other rental activities				
	4 Guaranteed payments to partners	400		400	400
	5 Interest income	388		388	388
	6 Dividends				
	7 Royalties				
	8 Net short-term capital gain (loss)	288		288	288
	9 Net long-term capital gain (loss)				
	10 a Total Gain under IRC Section 1231 (other than due to casualty or theft)				
	b Total Loss under IRC Section 1231 (other than due to casualty or theft)				
	11 a Other portfolio income (loss). Attach schedule _____				
	b Total other income. Attach schedule _____				
	c All other exp. Attach schedule _____				

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Deductions	12 Expense deduction for recovery property (IRC Section 179 and RAITC Sections 17267.6 17267.6 and 17268)				
	13 a Charitable contributions				
	b Investment interest expense				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply				
	2 Type of expenditures				
	d Deductions related to portfolio income				
	e Other deductions. Attach schedule				
Credits	15 a Total withholding (equals amount on Form 592-B if calendar year partnership)				
	b Low-income housing credit				
	c Credits other than line 15b related to rental real estate activities				
	d Credits related to other rental activities				
	e Nonconsenting nonresident partner's tax paid by partnership				
	f Other credits - Attach required schedules or statements				
	g New jobs credit				
Alternative Minimum Tax (AMT) Items	17 a Depreciation adjustment on property placed in service after 1986				
	b Adjusted gain or loss				
	c Depletion (other than oil & gas)				
	d Gross income from oil, gas, and geothermal properties				
	e Deductions allocable to oil, gas, and geothermal properties				
	f Other alternative minimum tax items				
Tax-Exempt Income and Nondeductible Expenses	18 a Tax-exempt interest income				
	b Other tax-exempt income				
	c Nondeductible expenses				
Distributions	19 a Distributions of money (cash and marketable securities)				
	b Distributions of property other than money				
Other Information	20 a Investment income				
	b Investment expenses				
	c Other information. See instructions				

JACQUE L. RAGSDALE OPTOMETRIC CENTER OF MORENO VALLEY

Other Partner Information

Table 1 — Partner's share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the partners).

Interest \$ _____ Sec. 1231 Gains/Losses \$ _____ Capital Gains/Losses \$ _____
 Dividends \$ _____ Royalties \$ _____ Other \$ _____

FOR USE BY APPORTIONING UNITARY PARTNERS ONLY — See instructions.

Table 2 — Partner's share of distributive items.

- A. Partner's share of the partnership's business income. See instructions. \$ _____
- B. Partner's share of nonbusiness income from real and tangible personal property sourced or allocable to California.

Capital Gains/Losses \$ _____ Rents/Royalties \$ _____
 Sec. 1231 Gains/Losses \$ _____ Other \$ _____

C. Partner's distributive share of the partnership's property, payroll, and sales:

Factors	Total within and outside California	Total within California
Property: Beginning	\$ _____	\$ _____
Ending	\$ _____	\$ _____
Annual rent expense	\$ _____	\$ _____
Payroll	\$ _____	\$ _____
Sales	\$ _____	\$ _____

OPTOMETRIC CENTER OF MORENO VALLEY

Schedule K Partners' Shares of Income, Deductions, Credits, etc.

		(a) Distributive share items	(b) Amounts from Federal K (1099)	(c) California adjustments	(d) Total amounts using California law			
Income (Loss)	1	Ordinary income (loss) from trade or business activities	● (9914)		(9914)			
	2	Net income (loss) from rental real estate activities. Attach federal Form 8825						
	3	a Gross income (loss) from other rental activities						
		b Less expenses. Attach schedule						
		c Net income (loss) from other rental activities. Subtract line 3b from line 3a						
	4	Guaranteed payments to partners	33400		● 33400			
	5	Interest income	38820		● 38820			
	6	Dividends			●			
	7	Royalties			●			
	8	Net short-term capital gain (loss). Attach Schedule D (565)			●			
	9	Net long-term capital gain (loss). Attach Schedule D (565)	28838		● 28838			
Deductions	10	a Total Gain under IRC Section 1231 (other than due to casualty or theft)			●			
		b Total Loss under IRC Section 1231 (other than due to casualty or theft)			●			
	11	a Other portfolio income (loss). Attach schedule						
		b Total other income. Attach schedule						
		c Total other loss. Attach schedule						
Deductions	12	Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6, and 17268). Attach schedule						
	13	a Charitable contributions. See instructions. Attach schedule						
		b Investment interest expense			●			
		c 1 Total expenditures to which IRC Section 59(e) election may apply. Attach schedule						
		2 Type of expenditures						
Credits	15	a Withholding on partnership allocated to all partners						
		b Low-income housing credit						
		c Credits other than the credit shown on line 15b related to rental real estate activities						
		d Credits related to other rental activities						
		e Nonconsenting nonresident members' tax allocated to all partners						
		f Other credits			●			
		g New Jobs Credit						
Alternative Minimum Tax (AMT) Items	17	a Depreciation adjustment on property placed in service after 1986						
		b Adjusted gain or loss						
		c Depletion (other than oil and gas)						
		d Gross income from oil, gas, and geothermal properties						
		e Deductions allocable to oil, gas, and geothermal properties						
		f Other alternative minimum tax items						
Other Information	18	a Tax-exempt interest income						
		b Other tax-exempt income			●			
		c Nondeductible expenses						
	19	a Distributions of money (cash and marketable securities)						
		b Distribution of property other than money						
	20	a Investment income						
	b Investment expenses							
	c Other information. See instructions							
Analysis	21	a Total distributive income-payment items. Combine lines 1, 2, and 3c through 11c. From the result, subtract the sum of lines 12 through 13e	91144		● 91144			
		b Analysis by type of partner	(a) Corporate	(b) Individual i. Active ii. Passive	(c) Partnership	(d) Exempt Organization	(e) Nominee/Other	
		(1) General partners		TWO				
		(2) Limited partners						

NOT REQUIRED

Schedule L Balance Sheets. See the instructions for Question O before completing Schedules L, M-1, and M-2.

	Beginning of income year		End of income year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				
2 a Trade notes and accounts receivable				
b Less allowance for bad debts	()		()	
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets. Attach schedule				
7 Mortgage and real estate loans				
8 Other investments. Attach schedule				
9 a Buildings and other depreciable assets				
b Less accumulated depreciation	()		()	
10 a Depletable assets				
b Less accumulated depletion	()		()	
11 Land (net of any amortization)				
12 a Intangible assets (amortizable only)				
b Less accumulated amortization	()		()	
13 Other assets. Attach schedule				
14 Total assets				
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities. Attach schedule				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities. Attach schedule				
21 Partners' capital accounts				
22 Total liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return. Use total amount under California law. If the partnership completed federal Schedule M-3 (Form 1065), see instructions.

1 Net income (loss) per books		5 Income recorded on books this year not included on Schedule K, line 1 through line 11c. Itemize:	
2 Income included on Schedule K, line 1 through line 11c, not recorded on books this year. Itemize		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)		b Other \$	
4 Expenses recorded on books this year not included on Schedule K, line 1 through line 13e. Itemize:		c Total. Add line 6a and line 6b	
a Depreciation \$		7 Deductions included on Schedule K, line 1 through line 13e, not charged against book income this year. Itemize:	
b Travel and entertainment \$		a Depreciation \$	
c Limited partnership tax \$		b Other \$	
d Other \$		c Total. Add line 7a and line 7b	
e Total. Add line 4a through 4d		8 Total. Add line 6c and line 7c	
5 Total of line 1 through line 4e		9 Income (loss) (Schedule K, line 21a). Subtract line 8 from line 5	

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year		5 Total of line 1 through line 4	
2 Capital contributed during year:		6 Distributions:	
a Cash		a Cash	
b Property		b Property	
3 Net income (loss) per books		7 Other decreases. Itemize	
4 Other increases. Itemize		8 Total of line 6 and line 7	
		9 Balance at end of year. Subtract line 8 from line 5	