

**SOUTH RAPID CITY  
TAX INCREMENT DISTRICT**

**13- Financial Statements for Stoneridge, LLC:**

**Attached are the last five years of financial and tax records for Stoneridge, LLC.**

January 12, 2011

**U.S. Return of Partnership Income**

For calendar year 2009, or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_

OMB No. 1545-0099

**2009**

<b>A</b> Principal business activity  <b>DEVELOPMENT</b>  <b>B</b> Principal product or service  <b>LAND</b>  <b>C</b> Business code number <b>237210</b>	Use the IRS label. Otherwise, print or type.	Name of partnership <b>STONERIDGE LLC</b>  Number, street, and room or suite no. if a P.O. box, see the instructions. <b>412 TAMARACK DRIVE</b>  City or town, state, and ZIP code <b>RAPID CITY SD 57701</b>	<b>D</b> Employer identification number <b>20-0043894</b>  <b>E</b> Date business started <b>05/01/2003</b>  <b>F</b> Total assets <b>\$ 3,496,233.</b>
<b>G</b> Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return (6) <input type="checkbox"/> Technical termination - also check (1) or (2)			
<b>H</b> Check accounting method: (1) <input type="checkbox"/> Cash (2) <input checked="" type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶			
<b>I</b> Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ <b>5</b>			
<b>J</b> Check if Schedules C and M-3 are attached <input type="checkbox"/>			

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

<b>Income</b>	1 a Gross receipts or sales	1a	2,965.		
	b Less returns and allowances	1b		1c	2,965.
	2 Cost of goods sold (Schedule A, line 8)			2	
	3 Gross profit. Subtract line 2 from line 1c			3	2,965.
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			4	
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5	
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			6	
	7 Other income (loss) (attach statement)		SEE STATEMENT 1	7	290,819.
8 Total income (loss). Combine lines 3 through 7			8	293,784.	
<b>Deductions (see the instructions for limitations)</b>	9 Salaries and wages (other than to partners) (less employment credits)			9	
	10 Guaranteed payments to partners			10	
	11 Repairs and maintenance			11	5,689.
	12 Bad debts			12	
	13 Rent			13	
	14 Taxes and licenses		SEE STATEMENT 2	14	65,333.
	15 Interest			15	201,756.
	16 a Depreciation (if required, attach Form 4562)	16a			
	b Less depreciation reported on Schedule A and elsewhere on return	16b		16c	
	17 Depletion (Do not deduct oil and gas depletion.)			17	
	18 Retirement plans, etc.			18	
	19 Employee benefit programs			19	
	20 Other deductions (attach statement)		SEE STATEMENT 3	20	58,985.
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20			21	331,763.
22 Ordinary business income (loss). Subtract line 21 from line 8			22	-37,979.	

<b>Sign Here</b>	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.	May the IRS discuss this return with the preparer shown below (see instr.?) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Signature of general partner or limited liability company member manager _____ Date _____	

<b>Paid Preparer's Use Only</b>	Preparer's signature _____ Date <b>02/16/10</b>	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN <b>P00160875</b> EIN <b>46-0403496</b> Phone no. <b>(605) 348-1930</b>
	Firm's name (or yours if self-employed), address, and ZIP code <b>CASEY PETERSON &amp; ASSOC</b> <b>505 KANSAS CITY ST</b> <b>RAPID CITY, SD 57701</b>		

For Privacy Act and Paperwork Reduction Act Notice, see separate Instructions.

**Schedule A Cost of Goods Sold** (see the instructions)

1	Inventory at beginning of year	1	3,479,867.
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	3,479,867.
7	Inventory at end of year	7	3,479,867.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

**9 a** 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:		Yes	No
a <input type="checkbox"/> Domestic general partnership	b <input type="checkbox"/> Domestic limited partnership		
c <input checked="" 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		X	
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

- 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

(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

	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		X
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	Identifying number of TMP
If the TMP is an entity, name of TMP representative	Phone number of TMP
Address of designated TMP	

Schedule K Partners' Distributive Share Items

Total amount

Table with columns for category (Income (Loss), Deductions, Self-Employment, Credits, Foreign Transactions, Alternative Minimum Tax (AMT) items, Other Information), line number, description, and total amount. Includes entries like 'Ordinary business income (loss)', 'Net rental real estate income', 'Section 179 deduction', 'Net earnings (loss) from self-employment', and 'Tax-exempt interest income'.

**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	-37,933.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners							
b Limited partners	-2,542.	-32,849.	-2,542.				

**Schedule L Balance Sheets per Books**

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		14,220.		10,440.
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories		3,479,867.		3,479,867.
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)			6,465.	
b Less accumulated amortization			539.	5,926.
13 Other assets (attach statement)				
14 Total assets		3,494,087.		3,496,233.
<b>Liabilities and Capital</b>				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year		301,553.		455,857.
17 Other current liabilities (attach statement)				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more		3,085,523.		2,971,298.
20 Other liabilities (attach statement)				
21 Partners' capital accounts		107,011.		69,078.
22 Total liabilities and capital		3,494,087.		3,496,233.

**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	-37,933.	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 \$		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	-37,933.
5 Add lines 1 through 4	-37,933.		

**Schedule M-2 Analysis of Partners' Capital Accounts**

1 Balance at beginning of year	107,011.	6 Distributions: a Cash	
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books	-37,933.	8 Add lines 6 and 7	
4 Other increases (itemize):		9 Balance at end of year. Subtract line 8 from line 5	69,078.
5 Add lines 1 through 4	69,078.		

**Information on Partners Owning 50% or More of the Partnership**

OMB No. 1545-0099

▶ Attach to Form 1065. See instructions.

Name of partnership

Employer identification number

STONERIDGE LLC

20-0043894


**Part I** Entitles Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3a)

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(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

**Part II** Individuals or Estates Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3b)

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
PAT HALL		UNITED STATES	64.52

**Depreciation and Amortization**  
 (Including Information on Listed Property) **OTHER**  
 ▶ See separate instructions. ▶ Attach to your tax return.

**STONERIDGE LLC**

Business or activity to which this form relates

**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	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	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.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	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	
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		

**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	
	/		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 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 instr.	22	
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	



**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 (a) through (c) 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)

24a Do you have evidence to support the business/investment use claimed?				Yes <input type="checkbox"/> No <input type="checkbox"/>		24b If "Yes," is the evidence written?				Yes <input type="checkbox"/> No <input type="checkbox"/>	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost			
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use.....								25			
26 Property used more than 50% in a qualified business use:											
		%									
		%									
		%									
27 Property used 50% or less in a qualified business use:											
		%				S/L -					
		%				S/L -					
		%				S/L -					
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 .....								28			
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 .....								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.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles) .....												
31 Total commuting miles driven during the year .....												
32 Total other personal (noncommuting) miles driven .....												
33 Total miles driven during the year. Add lines 30 through 32 .....												
34 Was the vehicle available for personal use during off-duty hours? .....												
35 Was the vehicle used primarily by a more than 5% owner or related person? .....												
36 Is another vehicle available 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.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? .....	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners .....		
39 Do you treat all use of vehicles by employees as personal use? .....		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? .....		
41 Do you meet the requirements concerning qualified automobile demonstration use? .....		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

**Part VI** Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2009 tax year:					
LOAN ORINATION FEES	081509	6,465.		60	539.
				43	
43 Amortization of costs that began before your 2009 tax year .....				44	539.
44 Total. Add amounts in column (f). See the instructions for where to report .....					

## Worksheet for Figuring Net Earnings (Loss) From Self-Employment

Name of partnership		Employer identification number	
STONERIDGE LLC		20-0043894	
1 a Ordinary income (loss) (Schedule K, line 1) .....	1a	-37,979.	
b Net income (loss) from CERTAIN rental real estate activities .....	1b		
c Net income (loss) from other rental activities (Schedule K, line 3c) .....	1c		
d Net loss from Form 4797, Part II, line 17, included on line 1a above. Enter as a positive amount .....	1d		
e Other additions .....	1e		
f Combine lines 1a through 1e .....	1f	-37,979.	
2 a Net gain from Form 4797, Part II, line 17, included on line 1a above .....	2a		
b Other subtractions .....	2b		
c Add lines 2a and 2b .....	2c		
3 a Subtract line 2c from line 1f. If line 1f is a loss, increase the loss on line 1f by the amount on line 2c .....	3a	-37,979.	
b Part of line 3a allocated to limited partners, estates, trusts, corporations, exempt organizations, and IRAs .....	3b	-5,090.	
c Subtract line 3b from line 3a .....			3c -32,889.
4 a Guaranteed payments to partners (Schedule K, line 4) derived from a trade or business as defined in section 1402(c) .....	4a		
b Part of line 4a allocated to individual limited partners for other than services and to estates, trusts, corporations, exempt organizations, and IRAs .....	4b		
c Subtract line 4b from line 4a .....			
5 Net earnings (loss) from self-employment. Combine lines 3c and 4c. Enter here and on Schedule K, line 14a .....	5	-32,889.	

STONERIDGE LLC

20-0043894

FORM 1065	OTHER INCOME	STATEMENT	1
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DESCRIPTION	AMOUNT
CITY OF RC - TIF	290,776.
MISC INCOME	43.
TOTAL TO FORM 1065, LINE 7	290,819.

FORM 1065	TAX EXPENSE	STATEMENT	2
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DESCRIPTION	AMOUNT
PROPERTY TAXES	65,333.
TOTAL TO FORM 1065, LINE 14	65,333.

FORM 1065	OTHER DEDUCTIONS	STATEMENT	3
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DESCRIPTION	AMOUNT
ACCOUNTING FEES	4,142.
AMORTIZATION EXPENSE	539.
INSURANCE	434.
LATE FEES	268.
LICENSES	50.
PROFESSIONAL FEES	6,963.
PROPOSALS AND MARKETING	46,589.
TOTAL TO FORM 1065, LINE 20	58,985.

SCHEDULE K	INTEREST INCOME	STATEMENT	4
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DESCRIPTION	U.S. BONDS	OTHER
BANK		46.
TOTAL TO SCHEDULE K, LINE 5		46.

FORM 1065

## PARTNERS' CAPITAL ACCOUNT SUMMARY

STATEMENT 5

<u>PARTNER NUMBER</u>	<u>BEGINNING CAPITAL</u>	<u>CAPITAL CONTRIBUTED</u>	<u>SCHEDULE M-2 LNS 3, 4 &amp; 7</u>	<u>WITH- DRAWALS</u>	<u>ENDING CAPITAL</u>
1	-14,382.		-2,542.		-16,924.
2	145,670.		-20,236.		125,434.
5	-40,915.		-7,549.		-48,464.
6	31,021.		-5,064.		25,957.
7	-14,383.		-2,542.		-16,925.
TOTAL	<u>107,011.</u>		<u>-37,933.</u>		<u>69,078.</u>

February 16, 2010

Scheri Biehler  
170 50th Ave Place  
Greeley, CO 80634

Re: Stoneridge LLC

Dear Member:

Attached is your copy of the Partnership Form 1065 Schedule K-1. This schedule summarizes your information from the partnership. This information has been provided to the Internal Revenue Service with the U.S. Partnership Return of Income, Form 1065.

The information provided on this schedule should be entered on your tax return, in accordance with the instructions in Schedule K-1, page 2. If your return will be prepared by your accountant or attorney, you should provide a copy of this schedule to the preparer with your other tax information.

We thank you for the opportunity to serve you.

Sincerely,

Casey C. Peterson, CPA

Schedule K-1 (Form 1065)

2009

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

Department of the Treasury Internal Revenue Service

For calendar year 2009, or tax year beginning ending

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

See separate instructions.

Part I Information About the Partnership
A Partnership's employer identification number 20-0043894
B Partnership's name, address, city, state, and ZIP code STONERIDGE LLC 412 TAMARACK DRIVE RAPID CITY, SD 57701
C IRS Center where partnership filed return OGDEN, UT
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 SCHERI BIEHLER 170 50TH AVE PLACE GREELEY, CO 80634
G General partner or LLC Limited partner or other LLC member-manager 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 6.7000000% 6.7000000% Loss 6.7000000% 6.7000000% Capital 4.0200000% 4.0200000%
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
M Did the partner contribute property with a built-in gain or loss? Yes No

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items
1 Ordinary business income (loss) -2,545.
2 Net rental real estate income (loss)
3 Other net rental income (loss)
4 Guaranteed payments
5 Interest income 3.
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 sec 1250 gain
10 Net section 1231 gain (loss) A 3.
11 Other income (loss)
12 Section 179 deduction
13 Other deductions
14 Self-employment earnings (loss) A 0.
15 Credits
16 Foreign transactions
17 Alternative min 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

Schedule K-1 (Form 1065) 2009

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		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)		See the Partner's Instructions
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)
8a. Net long-term capital gain (loss)		Schedule D, line 12, column (f)
8b. 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)		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 6761, 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%)		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		
I Deductions - royalty income		
J Section 59(e)(2) expenditures		
K Deductions - portfolio (2% floor)		Form 4952, line 1
L Deductions - portfolio (other)		Schedule E, line 18
M Amounts paid for medical insurance		See the Partner's Instructions
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)		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(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		See the Partner's Instructions
H Undistributed capital gains credit		
I Alcohol and cellulosic biofuel fuels credit		Form 1040, line 70; check box a
		Form 6478, line 7
J Work opportunity credit		Form 5884, line 3
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		
Foreign gross income sourced at partnership level		
D Passive category		Form 1116, Part I
E General category		
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		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, line 12
O Foreign trading gross receipts		
P Extraterritorial income exclusion		
K Other		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 8897
K Look-back interest - income forecast method		See Form 8866
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(i)(3) information		
P Section 453A(c) information		
Q Section 1280(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		

February 16, 2010

Pat Hall  
632 Main St  
Rapid City, SD 57701

Re: Stoneridge LLC

Dear Member:

Attached is your copy of the Partnership Form 1065 Schedule K-1. This schedule summarizes your information from the partnership. This information has been provided to the Internal Revenue Service with the U.S. Partnership Return of Income, Form 1065.

The information provided on this schedule should be entered on your tax return, in accordance with the instructions in Schedule K-1, page 2. If your return will be prepared by your accountant or attorney, you should provide a copy of this schedule to the preparer with your other tax information.

We thank you for the opportunity to serve you.

Sincerely,

Casey C. Peterson, CPA



Schedule K-1  
(Form 1065)

2009

Final K-1

Amended K-1

OMB No. 1545-0099

Department of the Treasury  
Internal Revenue Service

For calendar year 2009, or tax

year beginning \_\_\_\_\_

ending \_\_\_\_\_

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

▶ See separate instructions.

**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  
20-0043894

B Partnership's name, address, city, state, and ZIP code

STONERIDGE LLC  
412 TAMARACK DRIVE  
RAPID CITY, SD 57701

C IRS Center where partnership filed return  
OGDEN, UT

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

PAT HALL  
632 MAIN ST  
RAPID CITY, SD 57701

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	53.3500000%	53.3500000%
Loss	53.3500000%	53.3500000%
Capital	64.5200000%	64.5200000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	1,830,471.

L Partner's capital account analysis:

Beginning capital account	\$	145,670.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	-20,236.
Withdrawals & distributions	\$(	
Ending capital account	\$	125,434.

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)

1 Ordinary business income (loss)	-20,261.	15 Credits
2 Net rental real estate income (loss)		16 Foreign transactions
3 Other net rental income (loss)		
4 Guaranteed payments		
5 Interest income	25.	
6a Ordinary dividends		17 Alternative min tax (AMT) items
6b Qualified dividends		
7 Royalties		
8 Net short-term capital gain (loss)		18 Tax-exempt income and nondeductible expenses
9a Net long-term capital gain (loss)		
9b Collectibles (28%) gain (loss)		19 Distributions
9c Unrecaptured sec 1250 gain		20 Other information
10 Net section 1231 gain (loss)		A 25.
11 Other income (loss)		
12 Section 179 deduction		
13 Other deductions		
14 Self-employment earnings (loss)	A -20,261.	
	C 156,734.	

\*See attached statement for additional information.

For IRS Use Only

Schedule K-1 (Form 1065) 2009

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
		K Disabled access credit	See the Partner's Instructions
	Report on	L Empowerment zone and renewal community employment credit	Form 8844, line 3
Passive loss	See the Partner's Instructions	M Credit for increasing research activities	See the Partner's Instructions
Passive income	Schedule E, line 28, column (g)	N Credit for employer social security and Medicare taxes	Form 8846, line 5
Nonpassive loss	Schedule E, line 28, column (h)	O Backup withholding	Form 1040, line 61
Nonpassive income	Schedule E, line 28, column (i)	P Other credits	See the Partner's Instructions
2. Net rental real estate income (loss)	See the Partner's Instructions	16. Foreign transactions	
3. Other net rental income (loss)		A Name of country or U.S. possession	} Form 1116, Part I
Net income	Schedule E, line 28, column (g)	B Gross income from all sources	
Net loss	See the Partner's Instructions	C Gross income sourced at partner level	
4. Guaranteed payments	Schedule E, line 28, column (j)	Foreign gross income sourced at partnership level	
5. Interest income	Form 1040, line 8a	D Passive category	} Form 1116, Part I
6a. Ordinary dividends	Form 1040, line 9a	E General category	
6b. Qualified dividends	Form 1040, line 9b	F Other	
7. Royalties	Schedule E, line 4	Deductions allocated and apportioned at partner level	
8. Net short-term capital gain (loss)	Schedule D, line 5, column (f)	G Interest expense	Form 1116, Part I
9a. Net long-term capital gain (loss)	Schedule D, line 12, column (f)	H Other	Form 1116, Part I
9b. Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D Instructions)	Deductions allocated and apportioned at partnership level to foreign source income	
9c. Unrecaptured section 1250 gain	See the Partner's Instructions	I Passive category	} Form 1116, Part I
10. Net section 1231 gain (loss)	See the Partner's Instructions	J General category	
11. Other income (loss)	See the Partner's Instructions	K Other	
		L Total foreign taxes paid	Form 1116, Part II
Code		M Total foreign taxes accrued	Form 1116, Part II
A Other portfolio income (loss)	See the Partner's Instructions	N Reduction in taxes available for credit	Form 1116, line 12
B Involuntary conversions	See the Partner's Instructions	O Foreign trading gross receipts	Form 8873
C Sec. 1256 contracts & straddles	Form 6781, line 1	P Extraterritorial income exclusion	Form 8873
D Mining exploration costs recapture	See Pub. 535	Q Other foreign transactions	See the Partner's Instructions
E Cancellation of debt	Form 1040, line 21 or Form 982	17. Alternative minimum tax (AMT) items	
F Other income (loss)	See the Partner's Instructions	A Post-1986 depreciation adjustment	} See the Partner's Instructions and the Instructions for Form 8251
12. Section 179 deduction	See the Partner's Instructions	B Adjusted gain or loss	
13. Other deductions		C Depletion (other than oil & gas)	
A Cash contributions (50%)	} See the Partner's Instructions	D Oil, gas, & geothermal - gross income	
B Cash contributions (30%)		E Oil, gas, & geothermal - deductions	
C Noncash contributions (50%)		F Other AMT items	
D Noncash contributions (30%)		18. Tax-exempt income and nondeductible expenses	
E Capital gain property to a 50% organization (30%)		A Tax-exempt interest income	Form 1040, line 8b
F Capital gain property (20%)		B Other tax-exempt income	See the Partner's Instructions
G Contributions (100%)		C Nondeductible expenses	See the Partner's Instructions
H Investment interest expense		19. Distributions	
I Deductions - royalty income		A Cash and marketable securities	} See the Partner's Instructions
J Section 59(e)(2) expenditures		B Distribution subject to section 737	
K Deductions - portfolio (2% floor)	C Other property		
L Deductions - portfolio (other)	20. Other information		
M Amounts paid for medical insurance	A Investment income	Form 4952, line 4a	
N Educational assistance benefits	B Investment expenses	Form 4952, line 5	
O Dependent care benefits	C Fuel tax credit information	Form 4138	
P Preproductive period expenses	D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions	
Q Commercial revitalization deduction from rental real estate activities	E Basis of energy property	See the Partner's Instructions	
R Pensions and IRAs	F Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8	
S Reforestation expense deduction	G Recapture of low-income housing credit (other)	Form 8611, line 8	
T Domestic production activities information	H Recapture of investment credit	See Form 4255	
U Qualified production activities income	I Recapture of other credits	See the Partner's Instructions	
V Employer's Form W-2 wages	J Look-back interest - completed long-term contracts	See Form 8897	
W Other deductions	K Look-back interest - income forecast method	See Form 8866	
14. Self-employment earnings (loss)		L Dispositions of property with section 179 deductions	} 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.		M Recapture of section 179 deduction	
A Net earnings (loss) from self-employment	Schedule SE, Section A or B	N Interest expense for corporate partners	
B Gross farming or fishing income	See the Partner's Instructions	O Section 453(j)(3) information	
C Gross non-farm income	See the Partner's Instructions	P Section 453(c) information	
15. Credits		Q Section 1280(b) information	
A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions	R Interest allocable to production expenditures	
B Low-income housing credit (other) from pre-2008 buildings	See the Partner's Instructions	S CCF nonqualified withdrawals	
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings	Form 8586, line 11	T Depletion information - oil and gas	
D Low-income housing credit (other) from post-2007 buildings	Form 8586, line 11	U Amortization of reforestation costs	
E Qualified rehabilitation expenditures (rental real estate)	} See the Partner's Instructions	V Unrelated business taxable income	
F Other rental real estate credits		W Precontribution gain (loss)	
G Other rental credits		X Section 108(f) information	
H Undistributed capital gains credit		Y Other information	
I Alcohol and cellulosic biofuel fuels credit		Form 6478, line 7	

February 16, 2010

Sally Broucek  
412 Tamarack  
Rapid City, SD 57701

Re: Stoneridge LLC

Dear Member:

Attached is your copy of the Partnership Form 1065 Schedule K-1. This schedule summarizes your information from the partnership. This information has been provided to the Internal Revenue Service with the U.S. Partnership Return of Income, Form 1065.

The information provided on this schedule should be entered on your tax return in accordance with the instructions in Schedule K-1, page 2. If your return will be prepared by your accountant or attorney, you should provide a copy of this schedule to the preparer with your other tax information.

We thank you for the opportunity to serve you.

Sincerely,

Casey C. Peterson, CPA

Schedule K-1  
(Form 1065)

2009

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

Department of the Treasury  
Internal Revenue Service

For calendar year 2009, or tax  
year beginning \_\_\_\_\_  
ending \_\_\_\_\_

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

See separate instructions.

**Part I Information About the Partnership**

A Partnership's employer identification number  
20-0043894

B Partnership's name, address, city, state, and ZIP code  
STONERIDGE LLC  
412 TAMARACK DRIVE  
RAPID CITY, SD 57701

C IRS Center where partnership filed return  
OGDEN, UT

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  
SALLY BROUCEK  
412 TAMARACK  
RAPID CITY, SD 57701

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	19.9000000%	19.9000000%
Loss	19.9000000%	19.9000000%
Capital	12.0800000%	12.0800000%

K Partner's share of liabilities at year end:

Nonrecourse	\$ _____
Qualified nonrecourse financing	\$ _____
Recourse	\$ 682,780.

L Partner's capital account analysis:

Beginning capital account	\$ -40,915.
Capital contributed during the year	\$ _____
Current year increase (decrease)	\$ -7,549.
Withdrawals & distributions	\$ _____
Ending capital account	\$ -48,464.

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) -7,558.	15 Credits
2 Net rental real estate income (loss)	16 Foreign transactions
3 Other net rental income (loss)	
4 Guaranteed payments	
5 Interest income 9.	
6a Ordinary dividends	17 Alternative min tax (AMT) items
6b Qualified dividends	
7 Royalties	18 Tax-exempt income and nondeductible expenses
8 Net short-term capital gain (loss)	
9a Net long-term capital gain (loss)	
9b Collectibles (28%) gain (loss)	19 Distributions
9c Unrecaptured sec 1250 gain	20 Other information A 9.
10 Net section 1231 gain (loss)	
11 Other income (loss)	
12 Section 179 deduction	
13 Other deductions	
14 Self-employment earnings (loss) A -7,558. C 58,463.	

\*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.

Table with columns: Code, Report on, and a list of items (1-14) including Ordinary business income, Credits, and Self-employment earnings. Includes sub-sections like 'Other deductions' and 'Alternative minimum tax (AMT) items'.

February 16, 2010

Hani Shafai  
528 Kansas City St., Suite 4  
Rapid City, SD 57701

Re: Stoneridge LLC

Dear Member:

Attached is your copy of the Partnership Form 1065 Schedule K-1. This schedule summarizes your information from the partnership. This information has been provided to the Internal Revenue Service with the U.S. Partnership Return of Income, Form 1065.

The information provided on this schedule should be entered on your tax return, in accordance with the instructions in Schedule K-1, page 2. If your return will be prepared by your accountant or attorney, you should provide a copy of this schedule to the preparer with your other tax information.

We thank you for the opportunity to serve you.

Sincerely,

Casey C. Peterson, CPA

Schedule K-1  
(Form 1065)

2009

Final K-1

Amended K-1

OMB No. 1545-0099

For calendar year 2009, or tax

year beginning \_\_\_\_\_

ending \_\_\_\_\_

Department of the Treasury  
Internal Revenue Service

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

▶ See separate instructions.

**Part I Information About the Partnership**

A Partnership's employer identification number  
20-0043894

B Partnership's name, address, city, state, and ZIP code

STONERIDGE LLC  
412 TAMARACK DRIVE  
RAPID CITY, SD 57701

C IRS Center where partnership filed return  
OGDEN, UT

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

HANI SHAFAI  
528 KANSAS CITY ST., SUITE 4  
RAPID CITY, SD 57701

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	13.3500000%	13.3500000%
Loss	13.3500000%	13.3500000%
Capital	15.3600000%	15.3600000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	458,047.

L Partner's capital account analysis:

Beginning capital account	\$	31,021.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	-5,064.
Withdrawals & distributions	\$(	
Ending capital account	\$	25,957.

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)	-5,070.	15 Credits
2 Net rental real estate income (loss)		16 Foreign transactions
3 Other net rental income (loss)		
4 Guaranteed payments		
5 Interest income	6.	
6a Ordinary dividends		17 Alternative min tax (AMT) items
6b Qualified dividends		
7 Royalties		18 Tax-exempt income and nondeductible expenses
8 Net short-term capital gain (loss)		
9a Net long-term capital gain (loss)		
9b Collectibles (28%) gain (loss)		19 Distributions
9c Unrecaptured sec 1250 gain		20 Other Information
10 Net section 1231 gain (loss)	A 6.	
11 Other income (loss)		
12 Section 179 deduction		
13 Other deductions		
14 Self-employment earnings (loss)	A -5,070.	
	C 39,220.	

\*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 61
3. Other net rental income (loss)	See the Partner's Instructions	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	Form 1116, Part I
4. Guaranteed payments	Schedule E, line 28, column (j)	B Gross income from all sources	
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	Form 1116, Part I
6b. Qualified dividends	Form 1040, line 9b	D Passive category	
7. Royalties	Schedule E, line 4	E General category	
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	Form 1116, Part I
9b. Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D Instructions)	G Interest expense	
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	Form 1116, Part I
11. Other income (loss)	See the Partner's Instructions	I Passive category	
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	Form 1116, Part II
C Sec. 1256 contracts & straddles	Form 6781, line 1	L Total foreign taxes paid	
D Mining exploration costs recapture	See Pub. 535	M Total foreign taxes accrued	
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 (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(a)(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)		18. Tax-exempt income and nondeductible expenses	
Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		A Tax-exempt interest income	Form 1040, line 8b
A Net earnings (loss) from self-employment	Schedule SE, Section A or B	B Other tax-exempt income	See the Partner's Instructions
B Gross farming or fishing income	See the Partner's Instructions	C Nondeductible expenses	See the Partner's Instructions
C Gross non-farm income	See the Partner's Instructions	19. Distributions	
15. Credits		A Cash and marketable securities	See the Partner's Instructions
A Low-income housing credit (section 42(i)(5)) from pre-2008 buildings	See the Partner's Instructions	B Distribution subject to section 737	
B Low-income housing credit (other) from pre-2008 buildings	See the Partner's Instructions	C Other property	
C Low-income housing credit (section 42(i)(5)) from post-2007 buildings	Form 8586, line 11	20. Other information	
D Low-income housing credit (other) from post-2007 buildings	Form 8586, line 11	A Investment income	Form 4952, line 4a
E Qualified rehabilitation expenditures (rental real estate)	See the Partner's Instructions	B Investment expenses	Form 4952, line 5
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	
		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(i)(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 8886
		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(i)(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(f) information	
		Y Other information	



February 16, 2010

Heirloom Investments  
Po Box 8006  
Rapid City, SD 57709

Re: Stoneridge LLC

Dear Member:

Attached is your copy of the Partnership Form 1065 Schedule K-1. This schedule summarizes your information from the partnership. This information has been provided to the Internal Revenue Service with the U.S. Partnership Return of Income, Form 1065.

The information provided on this schedule should be entered on your tax return, in accordance with the instructions in Schedule K-1, page 2. If your return will be prepared by your accountant or attorney, you should provide a copy of this schedule to the preparer with your other tax information.

We thank you for the opportunity to serve you.

Sincerely,

Casey C. Peterson, CPA

Schedule K-1 (Form 1065)

2009

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

Department of the Treasury Internal Revenue Service

For calendar year 2009, or tax year beginning ending

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

See separate instructions.

Part I Information About the Partnership
A Partnership's employer identification number 20-0043894
B Partnership's name, address, city, state, and ZIP code STONERIDGE LLC 412 TAMARACK DRIVE RAPID CITY, SD 57701
C IRS Center where partnership filed return OGDEN, UT
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner
E Partner's identifying number 26-0217119
F Partner's name, address, city, state, and ZIP code HEIRLOOM INVESTMENTS PO BOX 8006 RAPID CITY, SD 57709
G General partner or LLC Limited partner or other LLC member-manager member
H Domestic partner Foreign partner
I What type of entity is this partner? CORPORATION
J Partner's share of profit, loss, and capital: Beginning Ending Profit 6.7000000% 6.7000000% Loss 6.7000000% 6.7000000% Capital 4.0200000% 4.0200000%
K Partner's share of liabilities at year end: Nonrecourse Qualified nonrecourse financing Recourse 0.

L Partner's capital account analysis: Beginning capital account \$ -14,383. Capital contributed during the year \$ Current year increase (decrease) \$ -2,542. Withdrawals & distributions \$( Ending capital account \$ -16,925.

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

Table with 3 columns: Item number, Description, and Amount. Includes rows for Ordinary business income (loss) -2,545, Credits, Net rental real estate income (loss), Foreign transactions, Other net rental income (loss), Guaranteed payments, Interest income 3, Ordinary dividends, Qualified dividends, Royalties, Net short-term capital gain (loss), Net long-term capital gain (loss), Collectibles (28%) gain (loss), Distributions, Unrecaptured sec 1250 gain, Net section 1231 gain (loss) A 3, Other income (loss), Section 179 deduction, Other deductions, Self-employment earnings (loss).

\*See attached statement for additional information.

For IRS Use Only

Schedule K-1 (Form 1065) 2009

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.

Table with 3 columns: Code, Report on, and Report on. It lists various income and deduction categories such as Ordinary business income, Section 179 deduction, Credits, and Self-employment earnings, along with their corresponding reporting forms and instructions.

**U.S. Return of Partnership Income**

For calendar year 2008, or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_

OMB No. 1545-0099

**2008**

<b>A</b> Principal business activity  <b>DEVELOPMENT</b>	Use the IRS label.	Name of partnership <b>STONERIDGE LLC</b>	<b>D</b> Employer identification number <b>20-0043894</b>
<b>B</b> Principal product or service  <b>LAND</b>	Other- wise, print or type.	Number, street, and room or suite no. If a P.O. box, see the instructions. <b>C/O SALLY BROUCEK</b>	<b>E</b> Date business started <b>05/01/2003</b>
<b>C</b> Business code number <b>237210</b>		City or town, state, and ZIP code <b>RAPID CITY, SD 57701</b>	<b>F</b> Total assets <b>\$ 3,494,087.</b>

**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 ▶ **5**

**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	<b>1 a</b> Gross receipts or sales	<b>1a</b>		
	<b>b</b> Less returns and allowances	<b>1b</b>		<b>1c</b>
	<b>2</b> Cost of goods sold (Schedule A, line 8)			<b>2</b>
	<b>3</b> Gross profit. Subtract line 2 from line 1c			<b>3</b>
	<b>4</b> Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			<b>4</b>
	<b>5</b> Net farm profit (loss) (attach Schedule F (Form 1040))			<b>5</b>
	<b>6</b> Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			<b>6</b>
	<b>7</b> Other income (loss) (attach statement)		<b>SEE STATEMENT 1</b>	<b>7</b> <b>238,342.</b>
<b>8</b> Total income (loss). Combine lines 3 through 7			<b>8</b> <b>238,342.</b>	
Deductions (see the instructions for limitations)	<b>9</b> Salaries and wages (other than to partners) (less employment credits)			<b>9</b>
	<b>10</b> Guaranteed payments to partners			<b>10</b>
	<b>11</b> Repairs and maintenance			<b>11</b>
	<b>12</b> Bad debts			<b>12</b>
	<b>13</b> Rent			<b>13</b>
	<b>14</b> Taxes and licenses			<b>14</b> <b>60,331.</b>
	<b>15</b> Interest			<b>15</b> <b>261,348.</b>
	<b>16 a</b> Depreciation (if required, attach Form 4562)	<b>16a</b>		
	<b>b</b> Less depreciation reported on Schedule A and elsewhere on return	<b>16b</b>		<b>16c</b>
	<b>17</b> Depletion (Do not deduct oil and gas depletion.)			<b>17</b>
	<b>18</b> Retirement plans, etc.			<b>18</b>
	<b>19</b> Employee benefit programs			<b>19</b>
	<b>20</b> Other deductions (attach statement)		<b>SEE STATEMENT 2</b>	<b>20</b> <b>45,125.</b>
	<b>21</b> Total deductions. Add the amounts shown in the far right column for lines 9 through 20			<b>21</b> <b>366,804.</b>
<b>22</b> Ordinary business income (loss). Subtract line 21 from line 8			<b>22</b> <b>-128,462.</b>	

**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.

Signature of general partner or limited liability company member manager \_\_\_\_\_ Date \_\_\_\_\_

May the IRS discuss this return with the preparer shown below (see Instr.?)  Yes  No

**Paid Preparer's Use Only**

Preparer's signature: \_\_\_\_\_ Date: **02/26/09** Check if self-employed:  Preparer's SSN or PTIN: **P00160875**

Firm's name (or yours if self-employed), address, and ZIP code: **CASEY PETERSON & ASSOC**  
**505 KANSAS CITY ST**  
**RAPID CITY, SD 57701**

EIN: **46-0403496** Phone no.: **(605) 348-1930**

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

**Schedule A Cost of Goods Sold** (see the instructions)

1	Inventory at beginning of year	1	3,479,020.
2	Purchases less cost of items withdrawn for personal use	2	847.
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	3,479,867.
7	Inventory at end of year	7	3,479,867.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9 a 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:
- |   |  | Yes | No |
|---|--|-----|----|
| a | <input type="checkbox"/> Domestic general partnership                  |     |    |
| b | <input type="checkbox"/> Domestic limited partnership                  |     |    |
| c | <input checked="" 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?
- 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

(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

(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
PAT HALL		UNITED STATES	64.52

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

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

**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
<input type="checkbox"/>	<input checked="" type="checkbox"/>

(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>5</b> 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 .....  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>6</b> Does the partnership satisfy all four of the following conditions?  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| a The partnership's total receipts for the tax year were less than \$250,000.  | <input type="checkbox"/> | <input type="checkbox"/>            |
| b The partnership's total assets at the end of the tax year were less than \$ 1 million.   | <input type="checkbox"/> | <input type="checkbox"/>            |
| 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.   | <input type="checkbox"/> | <input type="checkbox"/>            |
| d The partnership is not filing and is not required to file Schedule M-3 .....<br>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.   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>7</b> Is this partnership a publicly traded partnership as defined in section 469(k)(2)? .....  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>8</b> 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? .....  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>9</b> Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction? .....  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>10</b> 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 TDF 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country. ▶ | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>11</b> 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 .....   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>12a</b> Is the partnership making, or had it previously made (and not revoked), a section 754 election? .....<br>See instructions for details regarding a section 754 election.   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 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 .....  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 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 .....  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>13</b> 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"/>  | <input type="checkbox"/> | <input type="checkbox"/>            |
| <b>14</b> 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? .....  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>15</b> 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"/> | <input type="checkbox"/>            |
| <b>16</b> 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"/> | <input checked="" type="checkbox"/> |
| <b>17</b> Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶  | <input type="checkbox"/> | <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 ▶	Identifying number of TMP ▶
Address of designated TMP ▶	

811021  
12-31-08

Schedule K Partners' Distributive Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1 -128,462.	
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3 a 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	
	5 Interest income SEE STATEMENT 3	5 1,307.	
	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	
9 a 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	
	13 a 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	14 a Net earnings (loss) from self-employment	14a -111,248.	
	b Gross farming or fishing income	14b	
	c Gross nonfarm income	14c 206,404.	
Credits	15 a 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	16 a 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 ▶	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	17 a 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	18 a Tax-exempt interest income	18a	
	b Other tax-exempt income	18b	
	c Nondeductible expenses	18c	
	19 a Distributions of cash and marketable securities	19a	
	b Distributions of other property	19b	
20 a Investment income	20a 1,307.		
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	-127,155.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners							
b Limited partners	-8,519.	-110,117.	-8,519.				

**Schedule L Balance Sheets per Books**

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		91,391.		14,220.
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories		3,479,020.		3,479,867.
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		3,570,411.		3,494,087.
<b>Liabilities and Capital</b>				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				301,553.
17 Other current liabilities (attach statement)				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more		3,336,245.		3,085,523.
20 Other liabilities (attach statement)				
21 Partners' capital accounts		234,166.		107,011.
22 Total liabilities and capital		3,570,411.		3,494,087.

**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	-127,155.	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 \$		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	-127,155.
5 Add lines 1 through 4	-127,155.		

**Schedule M-2 Analysis of Partners' Capital Accounts**

1 Balance at beginning of year	234,166.	6 Distributions: a Cash	
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books	-127,155.	8 Add lines 6 and 7	
4 Other increases (itemize):		9 Balance at end of year. Subtract line 8 from line 5	107,011.
5 Add lines 1 through 4	107,011.		



**Worksheet for Figuring Net Earnings (Loss) From Self-Employment**

Name of partnership		Employer identification number	
STONERIDGE LLC		20-0043894	
1 a Ordinary income (loss) (Schedule K, line 1)	1a	-128,462.	
b Net income (loss) from CERTAIN rental real estate activities	1b		
c Net income (loss) from other rental activities (Schedule K, line 3c)	1c		
d Net loss from Form 4797, Part II, line 17, included on line 1a above. Enter as a positive amount	1d		
e Other additions	1e		
f Combine lines 1a through 1e	1f	-128,462.	
2 a Net gain from Form 4797, Part II, line 17, included on line 1a above	2a		
b Other subtractions	2b		
c Add lines 2a and 2b	2c		
3 a Subtract line 2c from line 1f. If line 1f is a loss, increase the loss on line 1f by the amount on line 2c	3a	-128,462.	
b Part of line 3a allocated to limited partners, estates, trusts, corporations, exempt organizations, and IRAs	3b	-17,214.	
c Subtract line 3b from line 3a	3c		-111,248.
4 a Guaranteed payments to partners (Schedule K, line 4) derived from a trade or business as defined in section 1402(c)	4a		
b Part of line 4a allocated to individual limited partners for other than services and to estates, trusts, corporations, exempt organizations, and IRAs	4b		
c Subtract line 4b from line 4a	4c		
5 Net earnings (loss) from self-employment. Combine lines 3c and 4c. Enter here and on Schedule K, line 14a	5		-111,248.

COPY

STONERIDGE LLC

20-0043894

FORM 1065 OTHER INCOME STATEMENT 1

DESCRIPTION	AMOUNT
REIMB PROP TAXES CITY OF RC - TIF	432. 237,910.
TOTAL TO FORM 1065, LINE 7	238,342.

FORM 1065 OTHER DEDUCTIONS STATEMENT 2

DESCRIPTION	AMOUNT
INSURANCE	1,679.
LICENSES	50.
PROFESSIONAL FEES	4,540.
LOAN ORIG FEES, CLOSED IN SAME YEAR	6,465.
LATE FEES	27,536.
ACCOUNTING FEES	4,830.
MISC	25.
TOTAL TO FORM 1065, LINE 20	45,125.

SCHEDULE K INTEREST INCOME STATEMENT 3

DESCRIPTION	U.S. BONDS	OTHER
BANK		1,307.
TOTAL TO SCHEDULE K, LINE 5		1,307.

COPY

## FORM 1065 PARTNERS' CAPITAL ACCOUNT SUMMARY STATEMENT 4

PARTNER NUMBER	BEGINNING CAPITAL	CAPITAL CONTRIBUTED	SCHEDULE M-2 LNS 3, 4 & 7	WITH-DRAWALS	ENDING CAPITAL
1	-5,863.		-8,519.		-14,382.
2	213,507.		-67,837.		145,670.
5	-15,611.		-25,304.		-40,915.
6	47,997.		-16,976.		31,021.
7	-5,864.		-8,519.		-14,383.
TOTAL	234,166.		-127,155.		107,011.

COPY

Schedule K-1 (Form 1065)

2008

Final K-1 Amended K-1 OMB No. 1545-0095

Department of the Treasury Internal Revenue Service

For calendar year 2008, or tax year beginning ending

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

See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number 20-0043894
B Partnership's name, address, city, state, and ZIP code STONERIDGE LLC C/O SALLY BROUCEK RAPID CITY, SD 57701
C IRS Center where partnership filed return OGDEN, UT
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 SCHERI BIEHLER 170 50TH AVE PLACE GREELEY, CO 80634
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 6.7000000% 6.7000000% Loss 6.7000000% 6.7000000% Capital 4.0200000% 4.0200000%

K Partner's share of liabilities at year end: Nonrecourse \$ Qualified nonrecourse financing \$ Recourse \$ 0.

L Partner's capital account analysis: Beginning capital account \$ -5,863. Capital contributed during the year \$ Current year increase (decrease) \$ -8,519. Withdrawals & distributions \$( Ending capital account \$ -14,382.

X 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) -8,607.
2 Net rental real estate income (loss)
3 Other net rental income (loss)
4 Guaranteed payments
5 Interest income 88.
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 sec 1250 gain
10 Net section 1231 gain (loss) 88.
11 Other income (loss)
12 Section 179 deduction
13 Other deductions
14 Self-employment earnings (loss) 0.
15 Credits
16 Foreign transactions
17 Alternative min 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

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SCHEDULE K-1

FOOTNOTES

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Schedule K-1  
(Form 1065)

2008

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 \_\_\_\_\_

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

▶ See separate instructions.

**Part I Information About the Partnership**

A Partnership's employer identification number  
20-0043894

B Partnership's name, address, city, state, and ZIP code  
STONERIDGE LLC  
C/O SALLY BROUCEK  
RAPID CITY, SD 57701

C IRS Center where partnership filed return  
OGDEN, UT

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  
PAT HALL  
632 MAIN ST  
RAPID CITY, SD 57701

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	53.3500000%	53.3500000%	53.3500000%
Loss	53.3500000%	53.3500000%	53.3500000%
Capital	64.5200000%	64.5200000%	64.5200000%

K Partner's share of liabilities at year end:

Nonrecourse .....	\$	_____
Qualified nonrecourse financing .....	\$	_____
Recourse .....	\$	<u>1,900,839.</u>

L Partner's capital account analysis:

Beginning capital account .....	\$	<u>213,507.</u>
Capital contributed during the year .....	\$	_____
Current year increase (decrease) .....	\$	<u>-67,837.</u>
Withdrawals & distributions .....	\$	_____
Ending capital account .....	\$	<u>145,670.</u>

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) -68,534.	15 Credits
2 Net rental real estate income (loss)	
3 Other net rental income (loss)	16 Foreign transactions
4 Guaranteed payments	
5 Interest income 697.	
6a Ordinary dividends	17 Alternative min tax (AMT) items
6b Qualified dividends	
7 Royalties	
8 Net short-term capital gain (loss)	18 Tax-exempt income and nondeductible expenses
9a Net long-term capital gain (loss)	
9b Collectibles (28%) gain (loss)	19 Distributions
9c Unrecaptured sec 1250 gain	
10 Net section 1231 gain (loss) A 697.	20 Other information
11 Other income (loss)	
12 Section 179 deduction	
13 Other deductions	
14 Self-employment earnings (loss) A -68,534. C 127,155.	

\*See attached statement for additional information.

For IRS Use Only

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SCHEDULE K-1

FOOTNOTES

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LOSSES MAY BE LIMITED TO BASIS

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Schedule K-1  
(Form 1065)

2008

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 \_\_\_\_\_

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

See separate instructions.

**Part I Information About the Partnership**

A Partnership's employer identification number  
20-0043894

B Partnership's name, address, city, state, and ZIP code  
STONERIDGE LLC  
C/O SALLY BROUCEK  
RAPID CITY, SD 57701

C IRS Center where partnership filed return  
OGDEN, UT

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  
SALLY BROUCEK  
412 TAMARACK  
RAPID CITY, SD 57701

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	19.9000000%	19.9000000%
Loss	19.9000000%	19.9000000%
Capital	12.0800000%	12.0800000%

K Partner's share of liabilities at year end:

Nonrecourse	\$ _____
Qualified nonrecourse financing	\$ _____
Recourse	\$ 709,029.

L Partner's capital account analysis:

Beginning capital account	\$ -15,611.
Capital contributed during the year	\$ _____
Current year increase (decrease)	\$ -25,304.
Withdrawals & distributions	\$ _____
Ending capital account	\$ -40,915.

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) -25,564.	15 Credits
2 Net rental real estate income (loss)	
3 Other net rental income (loss)	16 Foreign transactions
4 Guaranteed payments	
5 Interest income 260.	
6a Ordinary dividends	17 Alternative min tax (AMT) items
6b Qualified dividends	
7 Royalties	
8 Net short-term capital gain (loss)	18 Tax-exempt income and nondeductible expenses
9a Net long-term capital gain (loss)	
9b Collectibles (28%) gain (loss)	19 Distributions
9c Unrecaptured sec 1250 gain	
10 Net section 1231 gain (loss) A 260.	20 Other Information
11 Other income (loss)	
12 Section 179 deduction	
13 Other deductions	
14 Self-employment earnings (loss) A -25,564. C 47,431.	

\*See attached statement for additional information.

For IRS Use Only



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SCHEDULE K-1

FOOTNOTES

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Schedule K-1 (Form 1065)

2008

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

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

See separate instructions.

Part I Information About the Partnership
A Partnership's employer identification number 20-0043894
B Partnership's name, address, city, state, and ZIP code STONERIDGE LLC C/O SALLY BROUCEK RAPID CITY, SD 57701
C IRS Center where partnership filed return OGDEN, UT
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 HANI SHAFAI 528 KANSAS CITY ST., SUITE 4 RAPID CITY, SD 57701
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:
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) -17,150.
2 Net rental real estate income (loss)
3 Other net rental income (loss)
4 Guaranteed payments
5 Interest income 174.
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 sec 1250 gain
10 Net section 1231 gain (loss) 174.
11 Other income (loss)
12 Section 179 deduction
13 Other deductions
14 Self-employment earnings (loss) -17,150.
15 Credits
16 Foreign transactions
17 Alternative min tax (AMT) items
18 Tax-exempt income and nondeductible expenses
19 Distributions
20 Other information
\*See attached statement for additional information.

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SCHEDULE K-1

FOOTNOTES

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Schedule K-1 (Form 1065)

2008

Final K-1 Amended K-1 OMB No. 1545-0096

Department of the Treasury Internal Revenue Service

For calendar year 2008, or tax year beginning ending

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

See separate instructions.

Part I Information About the Partnership
A Partnership's employer identification number 20-0043894
B Partnership's name, address, city, state, and ZIP code STONERIDGE LLC C/O SALLY BROUCEK RAPID CITY, SD 57701
C IRS Center where partnership filed return OGDEN, UT
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner
E Partner's identifying number 26-0217119
F Partner's name, address, city, state, and ZIP code HEIRLOOM INVESTMENTS PO BOX 8006 RAPID CITY, SD 57709
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? CORPORATION
J Partner's share of profit, loss, and capital: Beginning Ending Profit 6.7000000% 6.7000000% Loss 6.7000000% 6.7000000% Capital 4.0200000% 4.0200000%
K Partner's share of liabilities at year end: Nonrecourse Qualified nonrecourse financing Recourse 0
L Partner's capital account analysis: Beginning capital account Capital contributed during the year Current year increase (decrease) Withdrawals & distributions Ending capital account
[X] 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) -8,607
2 Net rental real estate income (loss)
3 Other net rental income (loss)
4 Guaranteed payments
5 Interest income 88
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 sec 1250 gain
10 Net section 1231 gain (loss) A 88
11 Other income (loss)
12 Section 179 deduction
13 Other deductions
14 Self-employment earnings (loss)
15 Credits
16 Foreign transactions
17 Alternative min tax (AMT) items
18 Tax-exempt income and nondeductible expenses
19 Distributions
20 Other Information
\*See attached statement for additional information.

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

Schedule K-1 (Form 1065) 2008

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SCHEDULE K-1

FOOTNOTES

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**U.S. Return of Partnership Income**

For calendar year 2007, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

OMB No. 1545-0099

**2007**

<b>A</b> Principal business activity	Use the IRS label. Otherwise, print or type.	Name of partnership <b>STONERIDGE LLC</b>	<b>D</b> Employer identification number <b>20-0043894</b>
<b>DEVELOPMENT</b>		Number, street, and room or suite no. If a P.O. box, see the Instructions. <b>C/O SALLY BROUCEK</b>	<b>E</b> Date business started <b>05/01/2003</b>
<b>B</b> Principal product or service		City or town, state, and ZIP code <b>RAPID CITY, SD 57701</b>	<b>F</b> Total assets <b>\$ 3,806,914.</b>
<b>C</b> Business code number <b>237210</b>			

**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 ▶ **6**

**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.

<b>Income</b>	1 a Gross receipts or sales	1a	1,887,400.			
	b Less returns and allowances	1b		1c	1,887,400.	
	2 Cost of goods sold (Schedule A, line 8)	2		642,765.	3	1,244,635.
	3 Gross profit. Subtract line 2 from line 1c	4			5	
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)	6			7	2,142.
	5 Net farm profit (loss) (attach Schedule F (Form 1040))	8			8	1,246,777.
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9			10	
	7 Other income (loss) (attach schedule)	11			12	
<b>Deductions (see instructions for limitations)</b>	8 <b>Total income (loss).</b> Combine lines 3 through 7	13		14	1,649.	
	9 Salaries and wages (other than to partners) (less employment credits)	15		16a		
	10 Guaranteed payments to partners	16b		16c		
	11 Repairs and maintenance	17			18	
	12 Bad debts	19			20	251,250.
	13 Rent	21			22	252,899.
	14 Taxes and licenses					
	15 Interest					
	16 a Depreciation (if required, attach Form 4562)					
	b Less depreciation reported on Schedule A and elsewhere on return					
	17 Depletion (Do not deduct oil and gas depletion.)					
18 Retirement plans, etc.						
19 Employee benefit programs						
20 Other deductions (attach schedule)						
21 <b>Total deductions.</b> Add the amounts shown in the far right column for lines 9 through 20						
22 <b>Ordinary business income (loss).</b> Subtract line 21 from line 8					993,878.	

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) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature of general partner or limited liability company member manager: \_\_\_\_\_ Date: \_\_\_\_\_

May the IRS discuss this return with the preparer shown below (see instr.)?  Yes  No

**Paid Preparer's Use Only**

Preparer's signature: **CASEY PETERSON & ASSOC** Date: **03/25/08** Preparer's SSN or PTIN: **P00160875**

Firm's name (or yours if self-employed), address, and ZIP code: **505 KANSAS CITY ST** EIN: **46-0403496**

**RAPID CITY, SD 57701** Phone no.: **(605) 348-1930**

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

**Schedule A Cost of Goods Sold** (see the instructions)

1	Inventory at beginning of year	1	4,226,746.
2	Purchases less cost of items withdrawn for personal use	2	131,542.
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	4,358,288.
7	Inventory at end of year	7	3,715,523.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	642,765.

- 9 a 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**

	Yes	No
1 What type of entity is filing this return? Check the applicable box:		
a <input type="checkbox"/> Domestic general partnership		
b <input type="checkbox"/> Domestic limited partnership		
c <input checked="" 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 sections 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		X
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(k)(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 ▶ Identifying number of TMP ▶

Address of designated TMP ▶

Schedule K-1 Partners' Distributive Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	993,878.
	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	
	5 Interest income SEE STATEMENT 3	5	5,313.
	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	
Deductions	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	
	12 Section 179 deduction (attach Form 4562)	12	
	13a Contributions	13a	
Self-Employment	b Investment interest expense	13b	
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)	
	d Other deductions (see instructions) Type ▶	13d	
	14a Net earnings (loss) from self-employment	14a	852,986.
Credits	b Gross farming or fishing income	14b	
	c Gross nonfarm income	14c	1,079,709.
	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	
Foreign Transactions	e Other rental credits (see instructions) Type ▶	15e	
	f Other credits (see instructions) Type ▶	15f	
	16a Name of country or U.S. possession ▶		
	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 ▶	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	561,484.
	b Distributions of other property	19b	
	20a Investment income	20a	5,313.
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 18i						1	999,191.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners							
b Limited partners	35,402.	857,587.	106,202.				

**Schedule L Balance Sheets per Books**

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		230,423.		91,391.
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories		4,226,746.		3,715,523.
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)		4,457,169.		3,806,914.
14 Total assets		4,457,169.		3,806,914.
<b>Liabilities and Capital</b>				
15 Accounts payable		281,358.		
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		4,154,333.		3,336,245.
20 Other liabilities (attach statement)				
21 Partners' capital accounts		21,478.		470,669.
22 Total liabilities and capital		4,457,169.		3,806,914.

**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	999,191.	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	999,191.
5 Add lines 1 through 4	999,191.		

**Schedule M-2 Analysis of Partners' Capital Accounts**

1 Balance at beginning of year	21,478.	6 Distributions: a Cash STMT 4	561,484.
2 Capital contributed: a Cash	11,484.	b Property	
STMT 7 b Property		7 Other decreases (itemize):	
3 Net income (loss) per books	999,191.		
4 Other increases (itemize):		8 Add lines 6 and 7	561,484.
5 Add lines 1 through 4	1,032,153.	9 Balance at end of year. Subtract line 8 from line 5	470,669.

**Worksheet for Figuring Net Earnings (Loss) From Self-Employment**

Name of partnership		Employer identification number	
<b>STONERIDGE LLC</b>		<b>20-0043894</b>	
1 a Ordinary income (loss) (Schedule K, line 1) .....	1a	993,878.	
b Net income (loss) from CERTAIN rental real estate activities .....	1b		
c Net income (loss) from other rental activities (Schedule K, line 3c) .....	1c		
d Net loss from Form 4797, Part II, line 17, included on line 1a above. Enter as a positive amount .....	1d		
e Other additions .....	1e		
f Combine lines 1a through 1e .....	1f	993,878.	
2 a Net gain from Form 4797, Part II, line 17, included on line 1a above .....	2a		
b Other subtractions .....	2b		
c Add lines 2a and 2b .....	2c		
3 a Subtract line 2c from line 1f. If line 1f is a loss, increase the loss on line 1f by the amount on line 2c .....	3a	993,878.	
b Part of line 3a allocated to limited partners, estates, trusts, corporations, exempt organizations, and IRAs .....	3b	140,892.	
c Subtract line 3b from line 3a .....			3c 852,986.
4 a Guaranteed payments to partners (Schedule K, line 4) derived from a trade or business as defined in section 1402(c) .....	4a		
b Part of line 4a allocated to individual limited partners for other than services and to estates, trusts, corporations, exempt organizations, and IRAs .....	4b		
c Subtract line 4b from line 4a .....			4c
5 Net earnings (loss) from self-employment. Combine lines 3c and 4c. Enter here and on Schedule K, line 14a .....	5		852,986.

COPIED

Election to Capitalize Carrying Costs

Stoneridge LLC  
c/o Sally Broucek  
Rapid City, SD 57701

Employer Identification Number: 20-0043894

For the Year Ending December 31, 2007

Stoneridge LLC hereby Elects, pursuant to IRC Sec. 266 and Reg. Sec. 1.266-1(b)(1)(ii), to capitalize the following charges incurred for the development or construction of real property prior to completion.

Description of Expenditure	Date Paid or Incurred	Amount
Interest	12/31/07	277,576

COPY

FORM 1065	OTHER INCOME	STATEMENT	1
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DESCRIPTION	AMOUNT
REIMB PROP TAXES	2,142.
TOTAL TO FORM 1065, LINE 7	2,142.

FORM 1065	OTHER DEDUCTIONS	STATEMENT	2
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DESCRIPTION	AMOUNT
INSURANCE	2,303.
LICENSES	75.
SETTLEMENT CHARGES	242,695.
PROFESSIONAL FEES	6,177.
TOTAL TO FORM 1065, LINE 20	251,250.

SCHEDULE K	INTEREST INCOME	STATEMENT	3
------------	-----------------	-----------	---

DESCRIPTION	U.S. BONDS	OTHER
BANK		5,313.
TOTAL TO SCHEDULE K, LINE 5		5,313.

SCHEDULE M-2	DISTRIBUTIONS	STATEMENT	4
--------------	---------------	-----------	---

DESCRIPTION	AMOUNT
TRANSFERRED CAPITAL	11,484.
CASH WITHDRAWALS	550,000.
TOTAL TO SCHEDULE M-2, LINE 6A	561,484.

FORM 1065

## PARTNERS' CAPITAL ACCOUNT SUMMARY

STATEMENT 5

<u>PARTNER NUMBER</u>	<u>BEGINNING CAPITAL</u>	<u>CAPITAL CONTRIBUTED</u>	<u>SCHEDULE M-2 LNS 3, 4 &amp; 7</u>	<u>WITH- DRAWALS</u>	<u>ENDING CAPITAL</u>
1	-23,915.		70,802.	36,905.	9,982.
2	116,165.		516,832.	293,315.	339,682.
4	-23,916.		35,400.	11,484.	0.
5	-69,270.		210,284.	109,560.	31,454.
6	22,414.		130,471.	73,315.	79,570.
7	0.	11,484.	35,402.	36,905.	9,981.
<b>TOTAL</b>	<u>21,478.</u>	<u>11,484.</u>	<u>999,191.</u>	<u>561,484.</u>	<u>470,669.</u>

COPY

FORM 1065

SUMMARY OF PARTNERS' EFFECTIVE RATIOS

STATEMENT 6

<u>PARTNER NO.</u>	<u>NAME OF PARTNER</u>	<u>COMPUTED PERCENTAGE</u>
1	SCHERI BIEHLER	.067000000
2	PAT HALL	.533500000
4	SCOTT CRAIG	.033224657
5	SALLY BROUCEK	.199000000
6	HANI SHAFAI	.133500000
7	HEIRLOOM INVESTMENTS	.033775343
TOTAL		<u>1.000000000</u>

COPY

STONERIDGE LLC

20-0043894

SCHEDULE M-2

CONTRIBUTIONS

STATEMENT 7

DESCRIPTION

AMOUNT

TRANSFERRED CAPITAL

11,484.

TOTAL TO SCHEDULE M-2, LINE 2

11,484.

COPY

Schedule K-1 (Form 1065)

2007

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

Department of the Treasury Internal Revenue Service

For calendar year 2007, or tax year beginning ending

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

See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number 20-0043894
B Partnership's name, address, city, state, and ZIP code STONERIDGE LLC C/O SALLY BROUCEK RAPID CITY, SD 57701
C IRS Center where partnership filed return OGDEN, UT
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 SCHERI BIEHLER 170 50TH AVE PLACE GREELEY, CO 80634
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: Table with columns for Beginning and Ending, and rows for Profit, Loss, and Capital.

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

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

Partnership accounting method: 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) 70,446.
2 Net rental real estate income (loss)
3 Other net rental income (loss)
4 Guaranteed payments
5 Interest income 356.
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 sec 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.
15 Credits
16 Foreign transactions
17 Alternative min tax (AMT) items
18 Tax-exempt income and nondeductible expenses
19 Distributions A 36,905.
20 Other information A 356.

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



Schedule K-1 (Form 1065)

2007

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

Department of the Treasury Internal Revenue Service For calendar year 2007, or tax year beginning ending

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

See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number 20-0043894
B Partnership's name, address, city, state, and ZIP code STONERIDGE LLC C/O SALLY BROUCEK RAPID CITY, SD 57701
C IRS Center where partnership filed return OGDEN, UT
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 PAT HALL 632 MAIN ST RAPID CITY, SD 57701
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 53.3500000% 53.3500000% Loss 53.3500000% 53.3500000% Capital 64.5200000% 64.5200000%
K Partner's share of liabilities at year end: Nonrecourse Qualified nonrecourse financing Recourse 2,055,296
L Partner's capital account analysis: Beginning capital account 116,165 Capital contributed during the year Current year increase (decrease) 516,832 Withdrawals & distributions 293,315 Ending capital account 339,682
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) 513,998
2 Net rental real estate income (loss)
3 Other net rental income (loss)
4 Guaranteed payments
5 Interest income 2,834
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) 293,315
9c Unrecaptured sec 1250 gain
10 Net section 1231 gain (loss) 2,834
11 Other income (loss)
12 Section 179 deduction
13 Other deductions
14 Self-employment earnings (loss) 513,998
15 Credits
16 Foreign transactions
17 Alternative min tax (AMT) items
18 Tax-exempt income and nondeductible expenses
19 Distributions 293,315
20 Other information 2,834
A 513,998
C 665,156

\*See attached statement for additional information.

For IRS Use Only

Schedule K-1 (Form 1065)

2007

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

Department of the Treasury Internal Revenue Service For calendar year 2007, or tax year beginning ending

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

See separate instructions.

Part I Information About the Partnership
A Partnership's employer identification number 20-0043894
B Partnership's name, address, city, state, and ZIP code STONERIDGE LLC C/O SALLY BROUCEK RAPID CITY, SD 57701
C IRS Center where partnership filed return OGDEN, UT
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 SCOTT CRAIG PO BOX 8006 RAPID CITY, SD 57709

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
Table with columns: Beginning, Ending
Rows: Profit, Loss, Capital

K Partner's share of liabilities at year end:
Nonrecourse \$
Qualified nonrecourse financing \$
Recourse \$ 0.

L Partner's capital account analysis:
Beginning capital account \$ -23,916.
Capital contributed during the year \$
Current year increase (decrease) \$ 35,400.
Withdrawals & distributions \$(11,484.)
Ending capital account \$ 0.
[X] 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, Amount
1 Ordinary business income (loss) 35,223.
2 Net rental real estate income (loss)
3 Other net rental income (loss)
4 Guaranteed payments
5 Interest income 177.
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 sec 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

SCHEDULE K-1

WITHDRAWALS AND DISTRIBUTIONS

<u>DESCRIPTION</u>	<u>AMOUNT</u>
TRANSFERRED CAPITAL	11,484.
TOTAL TO SCHEDULE K-1, ITEM L, WITHDRAWALS AND DISTRIBUTIONS	11,484.

COPY

Schedule K-1 (Form 1065)

2007

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

Department of the Treasury Internal Revenue Service

For calendar year 2007, or tax year beginning ending

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

See separate instructions.

Part I Information About the Partnership
A Partnership's employer identification number 20-0043894
B Partnership's name, address, city, state, and ZIP code STONERIDGE LLC C/O SALLY BROUCEK RAPID CITY, SD 57701
C IRS Center where partnership filed return OGDEN, UT
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 SALLY BROUCEK 412 TAMARACK RAPID CITY, SD 57701
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:
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) 209,227.
2 Net rental real estate income (loss)
3 Other net rental income (loss)
4 Guaranteed payments
5 Interest income 1,057.
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) 109,560.
9c Unrecaptured sec 1250 gain
10 Net section 1231 gain (loss) 1,057.
11 Other income (loss)
12 Section 179 deduction
13 Other deductions
14 Self-employment earnings (loss) 209,227.
15 Credits
16 Foreign transactions
17 Alternative min tax (AMT) items
18 Tax-exempt income and nondeductible expenses
19 Distributions
20 Other information
\*See attached statement for additional information.

Schedule K-1  
(Form 1065)

2007

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

Department of the Treasury  
Internal Revenue Service

For calendar year 2007, or tax

year beginning \_\_\_\_\_  
ending \_\_\_\_\_

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

▶ See separate instructions.

**Part I Information About the Partnership**

A Partnership's employer identification number  
20-0043894

B Partnership's name, address, city, state, and ZIP code  
STONERIDGE LLC  
C/O SALLY BROUCEK  
RAPID CITY, SD 57701

C IRS Center where partnership filed return  
OGDEN, UT

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  
HANI SHAFAI  
528 KANSAS CITY ST., SUITE 4  
RAPID CITY, SD 57701

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	13.3500000%	13.3500000%
Loss	13.3500000%	13.3500000%
Capital	15.3600000%	15.3600000%

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	514,306.

L Partner's capital account analysis:

Beginning capital account	\$	22,414.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	130,471.
Withdrawals & distributions	\$	73,315.
Ending capital account	\$	79,570.

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)	129,761.	15 Credits	
2 Net rental real estate income (loss)		16 Foreign transactions	
3 Other net rental income (loss)			
4 Guaranteed payments			
5 Interest income	710.		
6a Ordinary dividends		17 Alternative min tax (AMT) items	
6b Qualified dividends			
7 Royalties		18 Tax-exempt income and nondeductible expenses	
8 Net short-term capital gain (loss)			
9a Net long-term capital gain (loss)			
9b Collectibles (28%) gain (loss)		19 Distributions	A 73,315.
9c Unrecaptured sec 1250 gain		20 Other information	
10 Net section 1231 gain (loss)			A 710.
11 Other income (loss)			
12 Section 179 deduction			
13 Other deductions			
14 Self-employment earnings (loss)			
A 129,761.			
C 166,445.			

\*See attached statement for additional information.

For IRS Use Only

Schedule K-1 (Form 1065)

2007

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

Department of the Treasury Internal Revenue Service

For calendar year 2007, or tax year beginning ending

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

See separate instructions.

Part I Information About the Partnership
Part II Information About the Partner
A Partnership's employer identification number 20-0043894
B Partnership's name, address, city, state, and ZIP code STONERIDGE LLC C/O SALLY BROUCEK RAPID CITY, SD 57701
C IRS Center where partnership filed return OGDEN, UT
D Check if this is a publicly traded partnership (PTP)
E Partner's identifying number 26-0217119
F Partner's name, address, city, state, and ZIP code HEIRLOOM INVESTMENTS PO BOX 8006 RAPID CITY, SD 57709
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? CORPORATION
J Partner's share of profit, loss, and capital: Beginning Ending Profit 0.0000000% 6.7000000% Loss 0.0000000% 6.7000000% Capital 0.0000000% 2.1205986%
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) 35,223.
15 Credits
2 Net rental real estate income (loss)
16 Foreign transactions
3 Other net rental income (loss)
4 Guaranteed payments
5 Interest income 179.
6a Ordinary dividends
6b Qualified dividends
7 Royalties
17 Alternative min tax (AMT) items
8 Net short-term capital gain (loss)
18 Tax-exempt income and nondeductible expenses
9a Net long-term capital gain (loss)
9b Collectibles (28%) gain (loss) 36,905.
19 Distributions
9c Unrecaptured sec 1250 gain
20 Other information
10 Net section 1231 gain (loss) 179.
11 Other income (loss)
12 Section 179 deduction
13 Other deductions
14 Self-employment earnings (loss)
\*See attached statement for additional information.
For IRS Use Only

STONERIDGE LLC

20-0043894

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SCHEDULE K-1                      CAPITAL CONTRIBUTED DURING THE YEAR

---

<u>DESCRIPTION</u>	<u>AMOUNT</u>
TRANSFERRED CAPITAL	11,484.
TOTAL TO SCHEDULE K-1, ITEM L, CAPITAL CONTRIBUTED	11,484.

COPY

1065

U.S. Return of Partnership Income

OMB No. 1545-0099

Form Department of the Treasury Internal Revenue Service

For calendar year 2006, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

2006

Header section containing: A Principal business activity (DEVELOPMENT), B Principal product or service (LAND), C Business code number (237210), Name of partnership (STONERIDGE LLC), Address (412 TAMARACK DRIVE, RAPID CITY, SD 57701), D Employer identification number (20-0043894), E Date business started (05/01/2003), F Total assets (\$ 4,457,169), G Check applicable boxes, H Check accounting method (Accrual), I Number of Schedules K-1 (5), J Check if Schedule M-3 required.

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

Main table with columns for line number, description, and amount. Includes sections for Income (lines 1a-8) and Deductions (lines 9-23). Total income (line 8) is 589,330. Total deductions (line 21) is 489,533. Ordinary business income (line 22) is 99,797.

Signature and preparer information section. Includes: Sign Here, Signature of general partner or limited liability company member manager, Date (03/28/07), Preparer's signature (CASEY PETERSON & ASSOC), Firm's name and address (505 KANSAS CITY ST, RAPID CITY, SD 57701), Preparer's SSN or PTIN (P00160875), EIN (46-0403496), and Phone no. ((605) 348-1930).



Schedule A Cost of Goods Sold (see the instructions)

Table with 8 rows and 3 columns: Line number, Description, and Amount. Line 1: 3,196,991. Line 2: 3,496,266. Line 6: 6,693,257. Line 7: 4,226,746. Line 8: 2,466,511.

9 a Check all methods used for valuing closing inventory:

- (i) [X] 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...
c Check this box if the LIFO inventory method was adopted...
d Do the rules of section 263A...
e Was there any change in determining quantities, cost, or valuations...

Schedule B Other Information

Table with 12 rows and 2 columns: Question and Yes/No. Row 1: What type of entity... Row 2: Are any partners... Row 3: During the partnership's tax year... Row 4: Did the partnership file Form 8893... Row 5: Does this partnership meet all three... Row 6: Does this partnership have any foreign partners... Row 7: Is this partnership a publicly traded... Row 8: Has this partnership filed... Row 9: At any time during calendar year 2006... Row 10: During the tax year, did the partnership receive... Row 11: Was there a distribution of property... Row 12: Enter the number of Forms 8865...

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 and Identifying number of TMP fields.

Address of designated TMP field.

Schedule K Partners' Distributive Share Items		Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1 99,797.
	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
	5 Interest income	5 SEE STATEMENT 2 12,460.
	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 221,587.	
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 45,831.
	b Gross farming or fishing income	14b
	c Gross nonfarm income	14c 510,360.
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 ▶ e Listed categories (attach stmt.) ▶ f General limitation ▶ 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 ▶ j Listed categories (attach stmt.) ▶ k General limitation ▶	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
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 3,100,000.
	b Distributions of other property	19b
20a Investment income	20a 12,460.	
b Investment expenses	20b	
c Other items and amounts (attach statement)	STMT 3	

**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	333,844.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners							
b Limited partners		219,156.	114,688.				

**Schedule L Balance Sheets per Books**

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		472,471.		230,423.
2a Trade notes and accounts receivable	542,150.			
b Less allowance for bad debts		542,150.		
3 Inventories		3,196,991.		4,226,746.
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach statement)	STATEMENT 4	11,350.		
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		4,222,962.		4,457,169.
<b>Liabilities and Capital</b>				
15 Accounts payable				281,358.
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach statement)	STATEMENT 5	339,753.		
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more		1,095,575.		4,154,333.
20 Other liabilities (attach statement)				
21 Partners' capital accounts		2,787,634.		21,478.
22 Total liabilities and capital		4,222,962.		4,457,169.

**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	333,844.	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 \$		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	333,844.
5 Add lines 1 through 4	333,844.		

**Schedule M-2 Analysis of Partners' Capital Accounts**

1 Balance at beginning of year	2,787,634.	6 Distributions: a Cash	3,100,000.
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books	333,844.	8 Add lines 6 and 7	3,100,000.
4 Other increases (itemize):		9 Balance at end of year. Subtract line 8 from line 5	21,478.
5 Add lines 1 through 4	3,121,478.		



Form 6252

Installment Sale Income

OMB No. 1545-0228

2006

Attachment 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: STONERIDGE LLC; Identifying number: 20-0043894

1 Description of property: 108.42 ACRES OF LAND-FINAL PAYMENT IN 2006; 2a Date acquired: 01/01/00; b Date sold: 07/08/04; 3 Was the property sold to a related party after May 14, 1980? No; 4 Was the property you sold to a related party a marketable security? No

Part I: Gross Profit and Contract Price. Table with 18 rows and 2 columns. Row 5: Selling price including mortgages and other debts. Row 6: Mortgages, debts, and other liabilities the buyer assumed or took the property subject to. Row 7: Subtract line 6 from line 5. Row 8: Cost or other basis of property sold. Row 9: Depreciation allowed or allowable. Row 10: Adjusted basis. Subtract line 9 from line 8. Row 11: Commissions and other expenses of sale. Row 12: Income recapture from Form 4797, Part III. Row 13: Add lines 10, 11, and 12. Row 14: Subtract line 13 from line 5. If zero or less, do not complete the rest of this form. Row 15: If the property described on line 1 above was your main home, enter the amount of your excluded gain. Otherwise, enter -0-. Row 16: Gross profit. Subtract line 15 from line 14. Row 17: Subtract line 13 from line 6. If zero or less, enter -0-. Row 18: Contract price. Add line 7 and line 17.

Part II: Installment Sale Income. Table with 6 rows and 2 columns. Row 19: Gross profit percentage. Divide line 16 by line 18. For years after the year of sale, see instructions. Value: 58.0564%. Row 20: If this is the year of sale, enter amount from line 17. Otherwise, enter -0-. Value: 0. Row 21: Payments received during year. Do not include interest, whether stated or unstated. Value: 381,675. Row 22: Add lines 20 and 21. Value: 381,675. Row 23: Payments received in prior years. Do not include interest, whether stated or unstated. Value: 1,049,191. Row 24: Installment sale income. Multiply line 22 by line 19. Value: 221,587. Row 25: Enter the part of line 24 that is ordinary income under the recapture rules. Value: 221,587. Row 26: Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797. Value: 221,587.

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? 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. 30 Selling price of property sold by related party; 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 2006 tax year; 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; 37 Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797.



INFORMATIONAL

Form **8903**

**Domestic Production Activities Deduction**

OMB No. 1545-1884

**2006**

Department of the Treasury  
Internal Revenue Service

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

Attachment  
Sequence No. 143

Name(s) as shown on return

Identifying number

**STONERIDGE LLC**

**20-0043894**

1	Domestic production gross receipts (DPGR) .....	1	3,055,841.										
2	Allocable cost of goods sold. If you are using the small business simplified overall method, skip lines 2 and 3 .....	2											
3	If you are using the section 861 method, enter deductions and losses definitely related to DPGR. Estates and trusts, see instructions. All others, skip line 3 .....	3											
4	If you are using the section 861 method, enter your pro rata share of deductions and losses not definitely related to DPGR. All others, see instructions .....	4	2,745,747.										
5	Add lines 2 through 4 .....	5	2,745,747.										
6	Subtract line 5 from line 1 .....	6	310,094.										
7	<table border="1"> <thead> <tr> <th>If you are a --</th> <th>Then enter the total qualified production activities income from --</th> </tr> </thead> <tbody> <tr> <td>a Shareholder</td> <td>Schedule K-1 (Form 1120S), box 12, code P .....</td> </tr> <tr> <td>b Partner</td> <td>Schedule K-1 (Form 1065), box 13, code T .....</td> </tr> <tr> <td></td> <td>Schedule K-1 (Form 1065-B), box 9, code S2 .....</td> </tr> <tr> <td>c Beneficiary</td> <td>Schedule K-1 (Form 1041), box 14, code O .....</td> </tr> </tbody> </table>	If you are a --	Then enter the total qualified production activities income from --	a Shareholder	Schedule K-1 (Form 1120S), box 12, code P .....	b Partner	Schedule K-1 (Form 1065), box 13, code T .....		Schedule K-1 (Form 1065-B), box 9, code S2 .....	c Beneficiary	Schedule K-1 (Form 1041), box 14, code O .....	7	
If you are a --	Then enter the total qualified production activities income from --												
a Shareholder	Schedule K-1 (Form 1120S), box 12, code P .....												
b Partner	Schedule K-1 (Form 1065), box 13, code T .....												
	Schedule K-1 (Form 1065-B), box 9, code S2 .....												
c Beneficiary	Schedule K-1 (Form 1041), box 14, code O .....												
8	Qualified production activities income. Add lines 6 and 7. If zero or less, enter -0- here, skip lines 9 through 15, and enter -0- on line 16 .....	8	310,094.										
9	Income limitation (see instructions):	9											
	• Individuals, estates, and trusts. Enter your adjusted gross income figured without the domestic production activities deduction .....												
	• All others. Enter your taxable income figured without the domestic production activities deduction (tax-exempt organizations, see instructions) .....												
10	Enter the smaller of line 8 or line 9. If zero or less, enter -0- here, skip lines 11 through 15, and enter -0- on line 16 .....	10											
11	Enter 3% of line 10 .....	11											
12	Form W-2 wages (see instructions) .....	12											
13	<table border="1"> <thead> <tr> <th>If you are a --</th> <th>Then enter the total Form W-2 wages from --</th> </tr> </thead> <tbody> <tr> <td>a Shareholder</td> <td>Schedule K-1 (Form 1120S), box 12, code Q .....</td> </tr> <tr> <td>b Partner</td> <td>Schedule K-1 (Form 1065), box 13, code U .....</td> </tr> <tr> <td></td> <td>Schedule K-1 (Form 1065-B), box 9, code S3 .....</td> </tr> <tr> <td>c Beneficiary</td> <td>Schedule K-1 (Form 1041), box 14, code D .....</td> </tr> </tbody> </table>	If you are a --	Then enter the total Form W-2 wages from --	a Shareholder	Schedule K-1 (Form 1120S), box 12, code Q .....	b Partner	Schedule K-1 (Form 1065), box 13, code U .....		Schedule K-1 (Form 1065-B), box 9, code S3 .....	c Beneficiary	Schedule K-1 (Form 1041), box 14, code D .....	13	
If you are a --	Then enter the total Form W-2 wages from --												
a Shareholder	Schedule K-1 (Form 1120S), box 12, code Q .....												
b Partner	Schedule K-1 (Form 1065), box 13, code U .....												
	Schedule K-1 (Form 1065-B), box 9, code S3 .....												
c Beneficiary	Schedule K-1 (Form 1041), box 14, code D .....												
14	Add lines 12 and 13 .....	14											
15	Form W-2 wage limitation. Enter 50% of line 14 .....	15											
16	Enter the smaller of line 11 or line 15 .....	16											
17	Domestic production activities deduction from cooperatives. Enter deduction from Form 1099-PATR, box 6 .....	17											
18	Expanded affiliated group allocation (see instructions) .....	18											
19	Domestic production activities deduction. Combine lines 16 through 18 and enter the result here and on Form 1040, line 35; Form 1120, line 25; Form 1120-A, line 21; or the applicable line of your return .....	19											





**Worksheet for Figuring Net Earnings (Loss) From Self-Employment**

Name of partnership		Employer identification number
STONERIDGE LLC		20-0043894
1 a Ordinary income (loss) (Schedule K, line 1)	1a	99,797.
b Net income (loss) from CERTAIN rental real estate activities	1b	
c Net income (loss) from other rental activities (Schedule K, line 3c)	1c	
d Net loss from Form 4797, Part II, line 17, included on line 1a above. Enter as a positive amount	1d	
e Other additions	1e	
f Combine lines 1a through 1e	1f	99,797.
2 a Net gain from Form 4797, Part II, line 17, included on line 1a above	2a	
b Other subtractions	2b	
c Add lines 2a and 2b	2c	
3 a Subtract line 2c from line 1f. If line 1f is a loss, increase the loss on line 1f by the amount on line 2c	3a	99,797.
b Part of line 3a allocated to limited partners, estates, trusts, corporations, exempt organizations, and IRAs	3b	53,966.
c Subtract line 3b from line 3a	3c	45,831.
4 a Guaranteed payments to partners (Schedule K, line 4) derived from a trade or business as defined in section 1402(c)	4a	
b Part of line 4a allocated to individual limited partners for other than services and to estates, trusts, corporations, exempt organizations, and IRAs	4b	
c Subtract line 4b from line 4a	4c	
5 Net earnings (loss) from self-employment. Combine lines 3c and 4c. Enter here and on Schedule K, line 14a	5	45,831.

COPY

FORM 1065	OTHER DEDUCTIONS	STATEMENT	1
DESCRIPTION		AMOUNT	
BANK SERVICE CHARGES		56.	
INSURANCE		1,650.	
LICENSES		50.	
SETTLEMENT CHARGES		395,439.	
PROFESSIONAL FEES		7,738.	
LEGAL FEES		8,098.	
MISCELLANEOUS		107.	
COMMISSION		5,481.	
OTHER EXPENSE		250.	
ADVERTISING		11,219.	
TOTAL TO FORM 1065, LINE 20		430,088.	

SCHEDULE K	INTEREST INCOME	STATEMENT	2
DESCRIPTION	U.S. BONDS	OTHER	
BANK		12,460.	
TOTAL TO SCHEDULE K, LINE 5		12,460.	

SCHEDULE K	OTHER ITEMS	STATEMENT	3
DESCRIPTION		AMOUNT	
DPAD INFORMATION - QUALIFIED PRODUCTION ACTIVITY INCOME		310,094.	

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT	4
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
PREPAID FINANCE CHARGES	11,350.		
TOTAL TO SCHEDULE L, LINE 6	11,350.		

SCHEDULE L OTHER CURRENT LIABILITIES STATEMENT 5

DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
EARNEST MONEY	25,000.	
DEFERRED CAPITAL GAIN	314,753.	
TOTAL TO SCHEDULE L, LINE 17	339,753.	

FORM 1065 PARTNERS' CAPITAL ACCOUNT SUMMARY STATEMENT 6

PARTNER NUMBER	BEGINNING CAPITAL	CAPITAL CONTRIBUTED	SCHEDULE M-2 LNS 3, 4 & 7	WITH-DRAWALS	ENDING CAPITAL
1	126,266.		57,344.	207,525.	-23,915.
2	1,738,703.		30,853.	1,653,391.	116,165.
4	126,265.		57,344.	207,525.	-23,916.
5	378,772.		170,236.	618,278.	-69,270.
6	417,628.		18,067.	413,281.	22,414.
TOTAL	2,787,634.		333,844.	3,100,000.	21,478.

Schedule K-1  
(Form 1065)

2006

Final K-1

Amended K-1

OMB No. 1545-0099

Department of the Treasury  
Internal Revenue Service

For calendar year 2006, or tax  
year beginning \_\_\_\_\_  
ending \_\_\_\_\_

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

▶ See separate instructions.

**Part I Information About the Partnership**

A Partnership's employer identification number  
20-0043894

B Partnership's name, address, city, state, and ZIP code  
STONERIDGE LLC  
412 TAMARACK DRIVE  
RAPID CITY, SD 57701

C IRS Center where partnership filed return  
OGDEN, UT

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

E  Tax shelter registration number, if any \_\_\_\_\_

F  Check if Form 8271 is attached

**Part II Information About the Partner**

G Partner's identifying number  
[REDACTED]

H Partner's name, address, city, state, and ZIP code  
SCHERI BIEHLER  
170 50TH AVE PLACE  
GREELEY, CO 80634

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

J  Domestic partner  Foreign partner

K What type of entity is this partner? INDIVIDUAL

L Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	6.7000000%	6.7000000%
Loss	6.7000000%	6.7000000%
Capital	4.0200000%	4.0200000%

M Partner's share of liabilities at year end:

Nonrecourse	\$ _____
Qualified nonrecourse financing	\$ _____
Recourse	\$ 0.

N Partner's capital account analysis:

Beginning capital account	\$ 126,266.
Capital contributed during the year	\$ _____
Current year increase (decrease)	\$ 57,344.
Withdrawals & distributions	\$( 207,525.)
Ending capital account	\$ -23,915.

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) 26,983.	15 Credits
2 Net rental real estate income (loss)	16 Foreign transactions
3 Other net rental income (loss)	
4 Guaranteed payments	
5 Interest income 835.	
6a Ordinary dividends	17 Alternative min tax (AMT) items
6b Qualified dividends	
7 Royalties	18 Tax-exempt income and non-deductible expenses
8 Net short-term capital gain (loss)	
9a Net long-term capital gain (loss) 29,526.	
9b Collectibles (28%) gain (loss)	19 Distributions A 207,525.
9c Unrecaptured sec 1250 gain	20 Other information A 835.
10 Net section 1231 gain (loss)	
11 Other income (loss)	
12 Section 179 deduction	
13 Other deductions T 20,776. U 0.	
14 Self-employment earnings (loss) A 0.	

\*See attached statement for additional information.

For IRS Use Only

Schedule K-1  
(Form 1065)

2006

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

Department of the Treasury  
Internal Revenue Service

For calendar year 2006, or tax  
year beginning \_\_\_\_\_  
ending \_\_\_\_\_

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

▶ See separate instructions.

**Part I Information About the Partnership**

A Partnership's employer identification number  
20-0043894

B Partnership's name, address, city, state, and ZIP code  
STONERIDGE LLC  
412 TAMARACK DRIVE  
RAPID CITY, SD 57701

C IRS Center where partnership filed return  
OGDEN, UT

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

E  Tax shelter registration number, if any \_\_\_\_\_

F  Check if Form 8271 is attached

**Part II Information About the Partner**

G Partner's identifying number  
[REDACTED]

H Partner's name, address, city, state, and ZIP code  
PAT HALL  
2700-W. MAIN  
RAPID CITY, SD 57702

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

J  Domestic partner  Foreign partner

K What type of entity is this partner? INDIVIDUAL

L Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	53.3500000%	53.3500000%
Loss	53.3500000%	53.3500000%
Capital	64.5200000%	64.5200000%

M Partner's share of liabilities at year end:

Nonrecourse	\$ _____
Qualified nonrecourse financing	\$ _____
Recourse	\$ 2,559,280.

N Partner's capital account analysis:

Beginning capital account	\$ 1,738,703.
Capital contributed during the year	\$ _____
Current year increase (decrease)	\$ 30,853.
Withdrawals & distributions	\$( 1,653,391.)
Ending capital account	\$ 116,165.

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) -32,208.	15 Credits
2 Net rental real estate income (loss)	16 Foreign transactions
3 Other net rental income (loss)	
4 Guaranteed payments	
5 Interest income 6,647.	
6a Ordinary dividends	17 Alternative min tax (AMT) items
6b Qualified dividends	
7 Royalties	18 Tax-exempt income and nondeductible expenses
8 Net short-term capital gain (loss)	
9a Net long-term capital gain (loss) 56,414.	
9b Collectibles (28%) gain (loss)	19 Distributions A 1,653,391.
9c Unrecaptured sec 1250 gain	20 Other information A 6,647.
10 Net section 1231 gain (loss)	
11 Other income (loss)	
12 Section 179 deduction	
13 Other deductions T 165,435. U 0.	
14 Self-employment earnings (loss) A -32,208. C 314,408.	

\*See attached statement for additional information.

For IRS Use Only

Schedule K-1 (Form 1065)

2006

Final K-1 Amended K-1 OMB No. 1545-0096

Department of the Treasury Internal Revenue Service

For calendar year 2006, or tax year beginning ending

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

See separate instructions.

Part I Information About the Partnership
A Partnership's employer identification number 20-0043894
B Partnership's name, address, city, state, and ZIP code STONERIDGE LLC 412 TAMARACK DRIVE RAPID CITY, SD 57701
C IRS Center where partnership filed return OGDEN, UT
D Check if this is a publicly traded partnership (PTP)
E Tax shelter registration number, if any
F Check if Form 8271 is attached

Part II Information About the Partner
G Partner's identifying number
H Partner's name, address, city, state, and ZIP code SCOTT CRAIG 412 TAMARACK RAPID CITY, SD 57701
I General partner or LLC member-manager Limited partner or other LLC member
J Domestic partner Foreign partner
K What type of entity is this partner? INDIVIDUAL
L Partner's share of profit, loss, and capital:
Beginning Ending
Profit 6.7000000% 6.7000000%
Loss 6.7000000% 6.7000000%
Capital 4.0200000% 4.0200000%
M Partner's share of liabilities at year end:
Nonrecourse \$
Qualified nonrecourse financing \$
Recourse \$ 0.
N Partner's capital account analysis:
Beginning capital account \$ 126,265.
Capital contributed during the year \$
Current year increase (decrease) \$ 57,344.
Withdrawals & distributions \$(207,525)
Ending capital account \$ -23,916.
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. Rows include: 1 Ordinary business income (loss) 26,983.; 2 Net rental real estate income (loss); 3 Other net rental income (loss); 4 Guaranteed payments; 5 Interest income 835.; 6a Ordinary dividends; 6b Qualified dividends; 7 Royalties; 8 Net short-term capital gain (loss); 9a Net long-term capital gain (loss) 29,526.; 9b Collectibles (28%) gain (loss); 9c Unrecaptured sec 1250 gain; 10 Net section 1231 gain (loss); 11 Other income (loss); 12 Section 179 deduction; 13 Other deductions 20,777.; 14 Self-employment earnings (loss) 0.

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

Schedule K-1 (Form 1065)

2006

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

Department of the Treasury Internal Revenue Service

For calendar year 2006, or tax year beginning ending

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

See separate instructions.

Part I Information About the Partnership
A Partnership's employer identification number 20-0043894
B Partnership's name, address, city, state, and ZIP code STONERIDGE LLC 412 TAMARACK DRIVE RAPID CITY, SD 57701
C IRS Center where partnership filed return OGDEN, UT
D Check if this is a publicly traded partnership (PTP)
E Tax shelter registration number, if any
F Check if Form 8271 is attached

Part II Information About the Partner
G Partner's identifying number
H Partner's name, address, city, state, and ZIP code SALLY BROUCEK 412 TAMARACK RAPID CITY, SD 57701
I General partner or LLC member-manager Limited partner or other LLC member
J Domestic partner Foreign partner
K What type of entity is this partner? INDIVIDUAL

L Partner's share of profit, loss, and capital:
Beginning Ending
Profit 19.9000000% 19.9000000%
Loss 19.9000000% 19.9000000%
Capital 12.0800000% 12.0800000%

M Partner's share of liabilities at year end:
Nonrecourse \$
Qualified nonrecourse financing \$
Recourse \$ 954,633.

N Partner's capital account analysis:
Beginning capital account \$ 378,772.
Capital contributed during the year \$
Current year increase (decrease) \$ 170,236.
Withdrawals & distributions \$( 618,278.)
Ending capital account \$ -69,270.

X 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) 80,094.
2 Net rental real estate income (loss)
3 Other net rental income (loss)
4 Guaranteed payments
5 Interest income 2,480.
6a Ordinary dividends
6b Qualified dividends
7 Royalties
8 Net short-term capital gain (loss)
9a Net long-term capital gain (loss) 87,662.
9b Collectibles (28%) gain (loss)
9c Unrecaptured sec 1250 gain
10 Net section 1231 gain (loss) 2,480.
11 Other income (loss)
12 Section 179 deduction
13 Other deductions T 61,708. U 0.
14 Self-employment earnings (loss) A 80,094. C 117,276.

\*See attached statement for additional information.

For IRS Use Only

Schedule K-1 (Form 1065)

2006

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

Department of the Treasury Internal Revenue Service For calendar year 2006, or tax year beginning ending

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

See separate instructions.

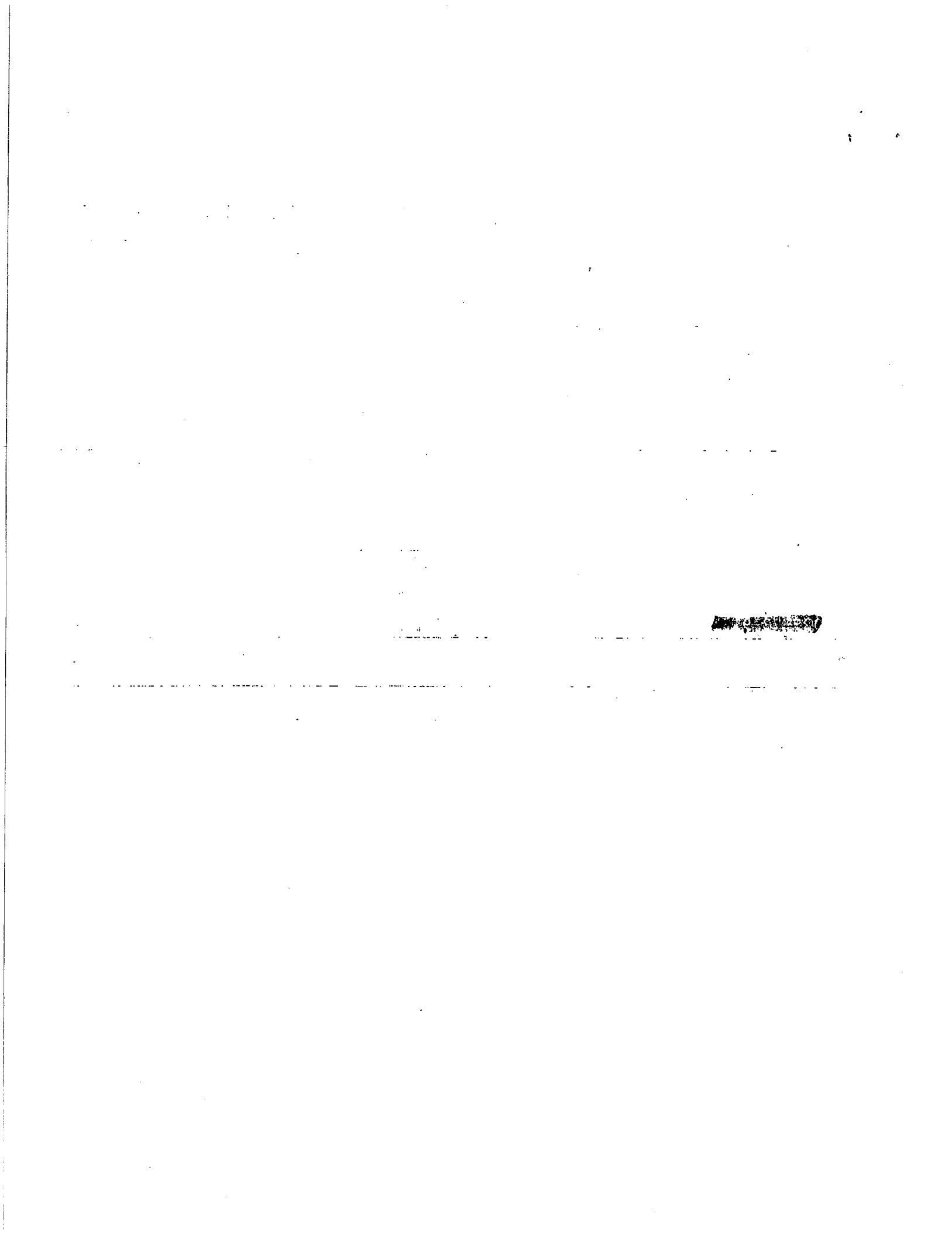
Part I Information About the Partnership
A Partnership's employer identification number 20-0043894
B Partnership's name, address, city, state, and ZIP code STONERIDGE LLC 412 TAMARACK DRIVE RAPID CITY, SD 57701
C IRS Center where partnership filed return OGDEN, UT
D Check if this is a publicly traded partnership (PTP)
E Tax shelter registration number, if any
F Check if Form 8271 is attached

Part II Information About the Partner
G Partner's identifying number
H Partner's name, address, city, state, and ZIP code HANI SHAFAI 528 KANSAS CITY ST., SUITE 4 RAPID CITY, SD 57701
I General partner or LLC member-manager Limited partner or other LLC member
J Domestic partner Foreign partner
K What type of entity is this partner? INDIVIDUAL
L Partner's share of profit, loss, and capital:
Beginning Ending
Profit 13.3500000% 13.3500000%
Loss 13.3500000% 13.3500000%
Capital 15.3600000% 15.3600000%
M Partner's share of liabilities at year end:
Nonrecourse \$
Qualified nonrecourse financing \$
Recourse \$ 640,420.
N Partner's capital account analysis:
Beginning capital account \$ 417,628.
Capital contributed during the year \$
Current year increase (decrease) \$ 18,067.
Withdrawals & distributions \$(413,281.)
Ending capital account \$ 22,414.
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) -2,055.
2 Net rental real estate income (loss)
3 Other net rental income (loss)
4 Guaranteed payments
5 Interest income 1,663.
6a Ordinary dividends
6b Qualified dividends
7 Royalties
8 Net short-term capital gain (loss)
9a Net long-term capital gain (loss) 18,459.
9b Collectibles (28%) gain (loss)
9c Unrecaptured sec 1250 gain
10 Net section 1231 gain (loss) 1,663.
11 Other income (loss)
12 Section 179 deduction
13 Other deductions T 41,398. U 0.
14 Self-employment earnings (loss) A -2,055. C 78,676.
15 Credits
16 Foreign transactions
17 Alternative min tax (AMT) items
18 Tax-exempt income and nondeductible expenses
19 Distributions A 413,281.
20 Other information

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





**U.S. Return of Partnership Income**

OMB No. 1545-0099

For calendar year 2005, or tax year beginning EXTENSION GRANTED TO 10/16/06 and ending \_\_\_\_\_

**2005**

<b>A</b> Principal business activity <b>DEVELOPMENT</b>	Use the IRS label. Otherwise, print or type.	Name of partnership <b>STONERIDGE LLC</b>	<b>D</b> Employer identification number <b>20-0969557</b>
<b>B</b> Principal product or service <b>LAND</b>		Number, street, and room or suite no. If a P.O. box, see the instructions. <b>412 TAMARACK DRIVE</b>	<b>E</b> Date business started <b>05/01/2003</b>
<b>C</b> Business code number <b>237210</b>		City or town, state, and ZIP code <b>RAPID CITY, SD 57701</b>	<b>F</b> Total assets <b>\$ 4,222,962.</b>

**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 **5**

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

Income	1 a Gross receipts or sales	1a	3,782,385.	1c	3,782,385.
	b Less returns and allowances	1b			
	2 Cost of goods sold (Schedule A, line 8)	2	2,050,546.		
	3 Gross profit. Subtract line 2 from line 1c	3	1,731,839.		
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)	4			
	5 Net farm profit (loss) (attach Schedule F (Form 1040))	5			
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6			
	7 Other income (loss) (attach schedule)	7			
8 Total income (loss). Combine lines 3 through 7	8			1,731,839.	
Deductions (see instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)	9			
	10 Guaranteed payments to partners	10			
	11 Repairs and maintenance	11			
	12 Bad debts	12			
	13 Rent	13			726.
	14 Taxes and licenses	14			7,009.
	15 Interest	15			
	16 a Depreciation (if required, attach Form 4562)	16a			
	b Less depreciation reported on Schedule A and elsewhere on return	16b			16c
	17 Depletion (Do not deduct oil and gas depletion.)	17			
	18 Retirement plans, etc.	18			
	19 Employee benefit programs	19			
	20 Other deductions (attach schedule) <b>SEE STATEMENT 1</b>	20			528,505.
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20	21			536,240.	
22 Ordinary business income (loss). Subtract line 21 from line 8	22			1,195,599.	

**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) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member \_\_\_\_\_ Date \_\_\_\_\_

May the IRS discuss this return with the preparer shown below (see Instr.?)  Yes  No

**Paid Preparer's Use Only**

Preparer's signature \_\_\_\_\_ Date **09/14/06** Check if self-employed  Preparer's SSN or PTIN **P00160875**

Firm's name (or yours if self-employed), address, and ZIP code **CASEY PETERSON & ASSOC**  
**505 KANSAS CITY ST**  
**RAPID CITY, SD 57701**

EIN **46-0403496** Phone no. **(605)348-1930**

**Schedule A Cost of Goods Sold** (see the instructions)

1	Inventory at beginning of year	1	5,018,089.
2	Purchases less cost of items withdrawn for personal use	2	229,448.
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	5,247,537.
7	Inventory at end of year	7	3,196,991.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	2,050,546.

9 a 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 type="checkbox"/> Domestic general partnership		
b <input type="checkbox"/> Domestic limited partnership		
c <input checked="" 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 sections 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		X
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.		
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 N on Schedule K-1		X
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 6111 to provide information on any reportable transaction?		X
9 At any time during calendar year 2005, 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 ▶ \_\_\_\_\_ 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 1,195,599.
	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
	5 Interest income	5 SEE STATEMENT 2 2,666.
	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
Deductions	9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a 1,205,650.
	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
	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
b Gross farming or fishing income		14b
c Gross nonfarm income		14c 1,499,773.
Credits & Credit Recapture	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 3458)	15c
	d Other rental real estate credits (see instructions) Type ▶	15d
	e Other rental credits (see instructions) Type ▶	15e
	f Other credits and credit recapture (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 ▶ e Listed categories (attach slmt.) ▶ f General limitation ▶	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 ▶ j Listed categories (attach slmt.) ▶ k General limitation ▶	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 930,730.
	b Distributions of other property	19b
20a Investment income	20a 2,666.	
b Investment expenses	20b	
c Other items and amounts (attach statement)	STMT 3	

**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	2,403,915.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners							
b Limited partners		2,028,509.	375,406.				

Note: Schedules L, M-1 and M-2 are not required if Question 5 of Schedule B is answered "Yes."

**Schedule L Balance Sheets per Books**

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		75,213.		472,471.
2a Trade notes and accounts receivable	1,084,300.		542,150.	
b Less allowance for bad debts		1,084,300.		542,150.
3 Inventories		5,018,089.		3,196,991.
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach statement)	STATEMENT 4			11,350.
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		6,177,602.		4,222,962.
<b>Liabilities and Capital</b>				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year		2,891,827.		
17 Other current liabilities (attach statement)	STATEMENT 5	771,326.		339,753.
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more		1,200,000.		1,095,575.
20 Other liabilities (attach statement)				
21 Partners' capital accounts		1,314,449.		2,787,634.
22 Total liabilities and capital		6,177,602.		4,222,962.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

1 Net income (loss) per books	2,403,915.	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	2,403,915.
5 Add lines 1 through 4	2,403,915.		

**Schedule M-2 Analysis of Partners' Capital Accounts**

1 Balance at beginning of year	1,314,449.	6 Distributions: a Cash	930,730.
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books	2,403,915.	8 Add lines 6 and 7	930,730.
4 Other increases (itemize):		9 Balance at end of year. Subtract line 8 from line 5	2,787,634.
5 Add lines 1 through 4	3,718,364.		



Form 6252

Installment Sale Income

OMB No. 1545-0228

2005

Attachment 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

STONERIDGE LLC

20-0969557

- 1 Description of property: 108.42 ACRES OF LAND
2a Date acquired: 01/01/00
b Date sold: 07/08/04
3 Was the property sold to a related party after May 14, 1980? No
4 Was the property sold to a related party a marketable security? No

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

Table with 18 rows for Gross Profit and Contract Price calculations, including selling price, mortgages, cost of basis, depreciation, and final contract price.

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.

Table with 6 rows for Installment Sale Income calculations, including gross profit percentage, payments received, and installment sale income.

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? 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).
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.

Table with 7 rows for Related Party Installment Sale Income calculations, including selling price, contract price, and payments received.





INFORMATIONAL

Form **8903**

**Domestic Production Activities Deduction**

OMB No. 1545-1984

**2005**

Department of the Treasury  
Internal Revenue Service

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

Attachment  
Sequence No. 143

Name(s) as shown on return

Identifying number

**STONERIDGE LLC**

**20-0969557**

1	Domestic production gross receipts .....	1	3,782,385.										
2	Allocable cost of goods sold .....	2											
3	Directly allocable deductions, expenses, or losses .....	3											
4	Indirectly allocable deductions, expenses, or losses .....	4	1,960,490.										
5	Add lines 2 through 4 .....	5	1,960,490.										
6	Subtract line 5 from line 1 .....	6	1,821,895.										
7	<table border="1"> <thead> <tr> <th>If you are a --</th> <th>Then enter the total qualified production activities income from --</th> </tr> </thead> <tbody> <tr> <td>a Shareholder</td> <td>Schedule K-1 (Form 1120S), box 12, code Q .....</td> </tr> <tr> <td>b Partner</td> <td>Schedule K-1 (Form 1065), box 13, code U .....</td> </tr> <tr> <td></td> <td>Schedule K-1 (Form 1065-B), box 9, code S2 .....</td> </tr> <tr> <td>c Beneficiary</td> <td>Schedule K-1 (Form 1041), box 14, code G .....</td> </tr> </tbody> </table>	If you are a --	Then enter the total qualified production activities income from --	a Shareholder	Schedule K-1 (Form 1120S), box 12, code Q .....	b Partner	Schedule K-1 (Form 1065), box 13, code U .....		Schedule K-1 (Form 1065-B), box 9, code S2 .....	c Beneficiary	Schedule K-1 (Form 1041), box 14, code G .....	7	
If you are a --	Then enter the total qualified production activities income from --												
a Shareholder	Schedule K-1 (Form 1120S), box 12, code Q .....												
b Partner	Schedule K-1 (Form 1065), box 13, code U .....												
	Schedule K-1 (Form 1065-B), box 9, code S2 .....												
c Beneficiary	Schedule K-1 (Form 1041), box 14, code G .....												
8	Qualified production activities income. Add lines 6 and 7. If zero or less, enter -0- here, skip lines 9 through 15, and enter -0- on line 16 .....	8	1,821,895.										
9	Income limitation (see instructions): <ul style="list-style-type: none"> <li>Individuals, estates, and trusts. Enter your adjusted gross income figured without the domestic production activities deduction .....</li> <li>All others. Enter your taxable income figured without the domestic production activities deduction (tax-exempt organizations, see instructions) .....</li> </ul>	9											
10	Enter the smaller of line 8 or line 9. If zero or less, enter -0- here, skip lines 11 through 15, and enter -0- on line 16 .....	10											
11	Enter 3% of line 10 .....	11											
12	Form W-2 wages (see instructions) .....	12											
13	<table border="1"> <thead> <tr> <th>If you are a --</th> <th>Then enter the total Form W-2 wages from --</th> </tr> </thead> <tbody> <tr> <td>a Shareholder</td> <td>Schedule K-1 (Form 1120S), box 12, code R .....</td> </tr> <tr> <td>b Partner</td> <td>Schedule K-1 (Form 1065), box 13, code V .....</td> </tr> <tr> <td></td> <td>Schedule K-1 (Form 1065-B), box 9, code S3 .....</td> </tr> <tr> <td>c Beneficiary</td> <td>Schedule K-1 (Form 1041), box 14, code D .....</td> </tr> </tbody> </table>	If you are a --	Then enter the total Form W-2 wages from --	a Shareholder	Schedule K-1 (Form 1120S), box 12, code R .....	b Partner	Schedule K-1 (Form 1065), box 13, code V .....		Schedule K-1 (Form 1065-B), box 9, code S3 .....	c Beneficiary	Schedule K-1 (Form 1041), box 14, code D .....	13	
If you are a --	Then enter the total Form W-2 wages from --												
a Shareholder	Schedule K-1 (Form 1120S), box 12, code R .....												
b Partner	Schedule K-1 (Form 1065), box 13, code V .....												
	Schedule K-1 (Form 1065-B), box 9, code S3 .....												
c Beneficiary	Schedule K-1 (Form 1041), box 14, code D .....												
14	Add lines 12 and 13 .....	14											
15	Form W-2 wage limitation. Enter 50% of line 14 .....	15											
16	Enter the smaller of line 11 or line 15 .....	16											
17	Domestic production activities deduction from cooperatives. Enter deduction from Form 1099-PATR, box 6 .....	17											
18	Expanded affiliated group allocation (see instructions) .....	18											
19	Domestic production activities deduction. Combine lines 16 through 18 and enter the result here and on Form 1040, line 35; Form 1120, line 25; Form 1120-A, line 21; or the applicable line of your return. ....	19											



**Worksheet for Figuring Net Earnings (Loss) From Self-Employment**

Name of partnership <b>STONERIDGE LLC</b>		Employer identification number <b>20-0969557</b>
1 a Ordinary income (loss) (Schedule K, line 1)	1a	1,195,599.
b Net income (loss) from CERTAIN rental real estate activities	1b	
c Net income (loss) from other rental activities (Schedule K, line 3c)	1c	
d Net loss from Form 4797, Part II, line 17, included on line 1a above. Enter as a positive amount	1d	
e Other additions	1e	
f Combine lines 1a through 1e	1f	1,195,599.
2 a Net gain from Form 4797, Part II, line 17, included on line 1a above	2a	
b Other subtractions	2b	
c Add lines 2a and 2b	2c	
3 a Subtract line 2c from line 1f. If line 1f is a loss, increase the loss on line 1f by the amount on line 2c	3a	1,195,599.
b Part of line 3a allocated to limited partners, estates, trusts, corporations, exempt organizations, and IRAs	3b	160,210.
c Subtract line 3b from line 3a	3c	1,035,389.
4 a Guaranteed payments to partners (Schedule K, line 4) derived from a trade or business as defined in section 1402(c)	4a	
b Part of line 4a allocated to individual limited partners for other than services and to estates, trusts, corporations, exempt organizations, and IRAs	4b	
c Subtract line 4b from line 4a	4c	
5 Net earnings (loss) from self-employment. Combine lines 3c and 4c. Enter here and on Schedule K, line 14a	5	1,035,389.

**COPIED**

FORM 1065 OTHER DEDUCTIONS STATEMENT 1

DESCRIPTION	AMOUNT
BANK SERVICE CHARGES	6,514.
INSURANCE	1,585.
LICENSES	50.
SETTLEMENT CHARGES	494,291.
UTILITIES	2,417.
TRAVEL	3,801.
PROFESSIONAL FEES	19,847.
TOTAL TO FORM 1065, LINE 20	528,505.

SCHEDULE K INTEREST INCOME STATEMENT 2

DESCRIPTION	U.S. BONDS	OTHER
BANK		2,666.
TOTAL TO SCHEDULE K, LINE 5		2,666.

SCHEDULE K OTHER ITEMS STATEMENT 3

DESCRIPTION	AMOUNT
DPAD INFORMATION - QUALIFIED PRODUCTION ACTIVITY INCOME	1,821,895.

SCHEDULE L OTHER CURRENT ASSETS STATEMENT 4

DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
PREPAID FINANCE CHARGES		11,350.
TOTAL TO SCHEDULE L, LINE 6		11,350.

SCHEDULE L OTHER CURRENT LIABILITIES STATEMENT 5

DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
EARNEST MONEY	51,000.	25,000.
DEFERRED CAPITAL GAIN	720,326.	314,753.
TOTAL TO SCHEDULE L, LINE 17	771,326.	339,753.

FORM 1065 PARTNERS' CAPITAL ACCOUNT SUMMARY STATEMENT 6

PARTNER NUMBER	BEGINNING CAPITAL	CAPITAL CONTRIBUTED	SCHEDULE M-2 LNS 3, 4 & 7	WITH-DRAWALS	ENDING CAPITAL
1	-7,837.		187,703.	53,600.	126,266.
2	1,125,819.		1,170,334.	557,450.	1,738,703.
4	-7,838.		187,703.	53,600.	126,265.
5	-19,225.		557,437.	159,440.	378,772.
6	223,530.		300,738.	106,640.	417,628.
TOTAL	1,314,449.		2,403,915.	930,730.	2,787,634.

Schedule K-1 (Form 1065)

2005

Final K-1

Amended K-1

OMB No. 1545-0099

Department of the Treasury Internal Revenue Service

For calendar year 2005, or tax year beginning

ending

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

See separate instructions.

Part I Information About the Partnership
A Partnership's employer identification number 20-0969557
B Partnership's name, address, city, state, and ZIP code STONERIDGE LLC 412 TAMARACK DRIVE RAPID CITY, SD 57701
C IRS Center where partnership filed return OGDEN, UT
D Check if this is a publicly traded partnership (PTP)
E Tax shelter registration number, if any
F Check if Form 8271 is attached

Part II Information About the Partner
G Partner's identifying number
H Partner's name, address, city, state, and ZIP code SCHERI BIEHLER 170 50TH AVE PLACE GREELEY, CO 80634
I General partner or LLC member-manager Limited partner or other LLC member
J Domestic partner Foreign partner
K What type of entity is this partner? INDIVIDUAL

L Partner's share of profit, loss, and capital:
Beginning Ending
Profit 6.7000000% 6.7000000%
Loss 6.7000000% 6.7000000%
Capital 4.0200000% 4.0200000%

M Partner's share of liabilities at year end:
Nonrecourse \$
Qualified nonrecourse financing \$
Recourse \$ 0.

N Partner's capital account analysis:
Beginning capital account \$ -7,837.
Capital contributed during the year \$
Current year increase (decrease) \$ 187,703.
Withdrawals & distributions \$(53,600.)
Ending capital account \$ 126,266.

X 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) 80,105.
15 Credits & credit recapture
2 Net rental real estate income (loss)
16 Foreign transactions
3 Other net rental income (loss)
4 Guaranteed payments
5 Interest income 179.
6a Ordinary dividends
17 Alternative min tax (AMT) items
6b Qualified dividends
7 Royalties
18 Tax-exempt income and nondeductible expenses
8 Net short-term capital gain (loss)
9a Net long-term capital gain (loss) 100,875.
9b Collectibles (28%) gain (loss)
19 Distributions A 53,600.
9c Unrecaptured sec 1250 gain
20 Other information A 179.
10 Net section 1231 gain (loss) 6,544.
11 Other income (loss)
12 Section 179 deduction
13 Other deductions U 122,067. V 0.
14 Self-employment earnings (loss) A 0.

\*See attached statement for additional information.

For IRS Use Only

Schedule K-1  
(Form 1065)

2005

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

Department of the Treasury  
Internal Revenue Service

For calendar year 2005, or tax  
year beginning \_\_\_\_\_  
ending \_\_\_\_\_

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

▶ See separate instructions.

**Part I Information About the Partnership**

A Partnership's employer identification number  
20-0969557

B Partnership's name, address, city, state, and ZIP code

STONERIDGE LLC  
412 TAMARACK DRIVE  
RAPID CITY, SD 57701

C IRS Center where partnership filed return  
OGDEN, UT

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

E  Tax shelter registration number, if any \_\_\_\_\_

F  Check if Form 8271 is attached

**Part II Information About the Partner**

G Partner's identifying number  
[REDACTED]

H Partner's name, address, city, state, and ZIP code

PAT HALL  
2700 W. MAIN  
RAPID CITY, SD 57702

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

J  Domestic partner  Foreign partner

K What type of entity is this partner? INDIVIDUAL

L Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	53.3500000%	53.3500000%
Loss	53.3500000%	53.3500000%
Capital	64.5200000%	64.5200000%

M Partner's share of liabilities at year end:

Nonrecourse	\$ _____
Qualified nonrecourse financing	\$ _____
Recourse	\$ 674,930.

N Partner's capital account analysis:

Beginning capital account	\$ 1,125,819.
Capital contributed during the year	\$ _____
Current year increase (decrease)	\$ 1,170,334.
Withdrawals & distributions	\$( 557,450.)
Ending capital account	\$ 1,738,703.

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) 637,852.	15 Credits & credit recapture
2 Net rental real estate income (loss)	16 Foreign transactions
3 Other net rental income (loss)	
4 Guaranteed payments	
5 Interest income 1,422.	
6a Ordinary dividends	17 Alternative min tax (AMT) items
6b Qualified dividends	
7 Royalties	18 Tax-exempt income and nondeductible expenses
8 Net short-term capital gain (loss)	
9a Net long-term capital gain (loss) 558,608.	
9b Collectibles (28%) gain (loss)	19 Distributions A 557,450.
9c Unrecaptured sec 1250 gain	
10 Net section 1231 gain (loss) -27,548.	20 Other information A 1,422.
11 Other income (loss)	
12 Section 179 deduction	
13 Other deductions U 971,981. V 0.	
14 Self-employment earnings (loss) A 637,852.	
C 923,936.	

\*See attached statement for additional information.

For IRS Use Only

Schedule K-1 (Form 1065)

2005

Final K-1 Amended K-1 OMB No. 1545-009

Department of the Treasury Internal Revenue Service

For calendar year 2005, or tax

year beginning

ending

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

See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number 20-0969557

B Partnership's name, address, city, state, and ZIP code

STONERIDGE LLC 412 TAMARACK DRIVE RAPID CITY, SD 57701

C IRS Center where partnership filed return OGDEN, UT

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

E Tax shelter registration number, if any

F Check if Form 8271 is attached

Part II Information About the Partner

G Partner's identifying number

H Partner's name, address, city, state, and ZIP code

SCOTT CRAIG 412 TAMARACK RAPID CITY, SD 57701

I General partner or LLC member-manager

X Limited partner or other LLC member

J X Domestic partner

Foreign partner

K What type of entity is this partner? INDIVIDUAL

L Partner's share of profit, loss, and capital:

Table with columns for Beginning and Ending, and rows for Profit, Loss, and Capital percentages.

M Partner's share of liabilities at year end:

Table with rows for Nonrecourse, Qualified nonrecourse financing, and Recourse liabilities.

N Partner's capital account analysis:

Table with rows for Beginning capital account, Capital contributed during the year, Current year increase (decrease), Withdrawals & distributions, and Ending capital account.

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

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

Main table for Part III with rows 1-14 and 15-20, including income, deductions, and credits.

\*See attached statement for additional information.

For IRS Use Only



2005

Schedule K-1 (Form 1065)

For calendar year 2005, or tax year beginning ending

Final K-1

Amended K-1

OMB No. 1545-0099

Department of the Treasury Internal Revenue Service

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

See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number 20-0969557

B Partnership's name, address, city, state, and ZIP code

STONERIDGE LLC 412 TAMARACK DRIVE RAPID CITY, SD 57701

C IRS Center where partnership filed return OGDEN, UT

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

E Tax shelter registration number, if any

F Check if Form 8271 is attached

Part II Information About the Partner

B Partner's identifying number

H Partner's name, address, city, state, and ZIP code

SALLY BROUCEK 412 TAMARACK RAPID CITY, SD 57701

I General partner or LLC member-manager

Limited partner or other LLC member

J Domestic partner

Foreign partner

K What type of entity is this partner? INDIVIDUAL

L Partner's share of profit, loss, and capital:

Table with columns: Profit, Loss, Capital; rows: Beginning, Ending. Values: Profit 19.9000000%, Ending 19.9000000%; Loss 19.9000000%, Ending 19.9000000%; Capital 12.0800000%, Ending 12.0800000%

M Partner's share of liabilities at year end:

Table with columns: Nonrecourse, Qualified nonrecourse financing, Recourse; row: \$ 251,754.

N Partner's capital account analysis:

Table with columns: Beginning capital account, Capital contributed during the year, Current year increase (decrease), Withdrawals & distributions, Ending capital account; row: \$ -19,225., \$ 557,437., \$ 159,440., \$ 378,772.

X 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 columns: 1 Ordinary business income (loss) 237,925., 2 Net rental real estate income (loss), 3 Other net rental income (loss), 4 Guaranteed payments, 5 Interest Income 530., 6a Ordinary dividends, 6b Qualified dividends, 7 Royalties, 8 Net short-term capital gain (loss), 9a Net long-term capital gain (loss) 299,565., 9b Collectibles (28%) gain (loss), 9c Unrecaptured sec 1250 gain, 10 Net section 1231 gain (loss) 19,417., 11 Other income (loss), 12 Section 179 deduction, 13 Other deductions U 362,557., V 0., 14 Self-employment earnings (loss) A 237,925., C 344,636., 15 Credits & credit recapture, 16 Foreign transactions, 17 Alternative min tax (AMT) items, 18 Tax-exempt income and nondeductible expenses, 19 Distributions A 159,440., 20 Other information A 530.

\*See attached statement for additional information.

For IRS Use Only

Schedule K-1 (Form 1065)

2005

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

Department of the Treasury Internal Revenue Service

For calendar year 2005, or tax

year beginning ending

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

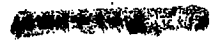
See separate instructions.

Part I Information About the Partnership
A Partnership's employer identification number 20-0969557
B Partnership's name, address, city, state, and ZIP code STONERIDGE LLC 412 TAMARACK DRIVE RAPID CITY, SD 57701
C IRS Center where partnership filed return OGDEN, UT
D Check if this is a publicly traded partnership (PTP)
E Tax shelter registration number, if any
F Check if Form 8271 is attached

Part II Information About the Partner
G Partner's identifying number
H Partner's name, address, city, state, and ZIP code HANI SHAFAI 528 KANSAS CITY ST., SUITE 4 RAPID CITY, SD 57701
I General partner or LLC member-manager Limited partner or other LLC member
J Domestic partner Foreign partner
K What type of entity is this partner? INDIVIDUAL
L Partner's share of profit, loss, and capital:
Beginning Ending
Profit 13.3500000% 13.3500000%
Loss 13.3500000% 13.3500000%
Capital 15.3600000% 15.3600000%
M Partner's share of liabilities at year end:
Nonrecourse \$
Qualified nonrecourse financing \$
Recourse \$ 168,891.
N Partner's capital account analysis:
Beginning capital account \$ 223,530.
Capital contributed during the year \$
Current year increase (decrease) \$ 300,738.
Withdrawals & distributions \$(106,640)
Ending capital account \$ 417,628.
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) 159,612.
2 Net rental real estate income (loss)
3 Other net rental income (loss)
4 Guaranteed payments
5 Interest income 356.
6a Ordinary dividends
6b Qualified dividends
7 Royalties
8 Net short-term capital gain (loss)
9a Net long-term capital gain (loss) 145,727.
9b Collectibles (28%) gain (loss)
9c Unrecaptured sec 1250 gain
10 Net section 1231 gain (loss) -4,957.
11 Other income (loss)
12 Section 179 deduction
13 Other deductions
U 243,223.
V 0.
14 Self-employment earnings (loss)
A 159,612.
C 231,201.
15 Credits & credit recapture
16 Foreign transactions
17 Alternative min tax (AMT) items
18 Tax-exempt income and nondeductible expenses
19 Distributions A 106,640.
20 Other information A 356.

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



# State of Missouri



Robin Carnahan  
Secretary of State

## CERTIFICATE OF ORGANIZATION

WHEREAS,

*THF Rapid City Investors, L.L.C.*  
*LC1024761*

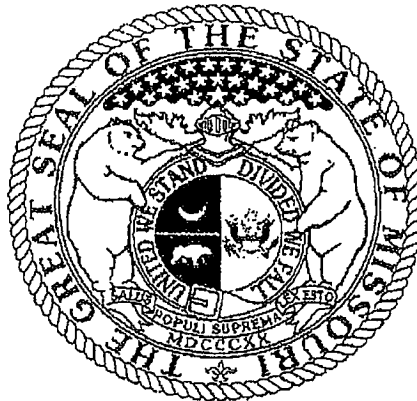
filed its Articles of Organization with this office on the January 6, 2010, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, ROBIN CARNAHAN, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the January 6, 2010, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this January 6, 2010.

*Robin Carnahan*

Secretary of State





State of Missouri  
Robin Carnahan, Secretary of State

File Number: 201000690502

LC1024761

Date Filed: 01/06/2010

Robin Carnahan

Secretary of State

## Articles of Organization

1. The name of the limited liability company is:

THF Rapid City Investors, L.L.C.

2. The purpose(s) for which the limited liability company is organized:

- (a) To acquire and hold a membership interest in THF Stoneridge Development, L.L.C.;
- (b) To acquire, construct, operate, lease, finance, mortgage, sell and otherwise dispose of a retail commercial development and engage in such activities incidental or ancillary to the foregoing.
- (c) To purchase, sell, exchange, lease, assign, transfer, encumber or otherwise deal in or with real property, personal property, equipment, supplies and other items in relation to the purposes stated herein, including to borrow for the acquisition of and/or to pledge and/or encumber such property.
- (d) To do any and all things permitted by law incident to the foregoing, including but not by limitation, the borrowing of funds, pledging of Limited Liability Company assets, and dealing with tangible and intangible property of all kinds.
- (e) In general, to carry on any other business in connection with the foregoing, or otherwise, and to have and exercise all the powers conferred by the laws of Missouri on limited liability companies formed under The Missouri Limited Liability Company Act.
- (f) To transact any or all lawful businesses for which a limited liability company may be organized under the laws of the State of Missouri.

3. The name and address of the limited liability company's registered agent in Missouri is:

Michael H. Staenberg  
*Name*

2127 Innerbelt Business Center Dr. #200, St. Louis MO 63114  
*Address*

4. The management of the limited liability company is:

Manager       Member

5. The duration (period of existence) for this limited liability company is:

12/31/2085

6. The name(s) and street address(es) of each organizer:

Robert J. Jakubeck, 2127 Innerbelt Business Center Drive, Suite 200, Saint Louis MO 63114

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

Robert J. Jakubeck  
*(Organizer Name)*



State of Missouri  
Robin Carnahan, Secretary of State

File Number: 201000690502  
LC1024761  
Date Filed: 01/06/2010  
Robin Carnahan  
Secretary of State

### Articles of Organization

1. The name of the limited liability company is:  
THF Rapid City Investors, L.L.C.
  
2. The purpose(s) for which the limited liability company is organized:
  - (a) To acquire and hold a membership interest in THF Stoneridge Development, L.L.C.;
  - (b) To acquire, construct, operate, lease, finance, mortgage, sell and otherwise dispose of a retail commercial development and engage in such activities incidental or ancillary to the foregoing.
  - (c) To purchase, sell, exchange, lease, assign, transfer, encumber or otherwise deal in or with real property, personal property, equipment, supplies and other items in relation to the purposes stated herein, including to borrow for the acquisition of and/or to pledge and/or encumber such property.
  - (d) To do any and all things permitted by law incident to the foregoing, including but not by limitation, the borrowing of funds, pledging of Limited Liability Company assets, and dealing with tangible and intangible property of all kinds.
  - (e) In general, to carry on any other business in connection with the foregoing, or otherwise, and to have and exercise all the powers conferred by the laws of Missouri on limited liability companies formed under The Missouri Limited Liability Company Act.
  - (f) To transact any or all lawful businesses for which a limited liability company may be organized under the laws of the State of Missouri.
  
3. The name and address of the limited liability company's registered agent in Missouri is:  

<u>Michael H. Staenberg</u>	<u>2127 Innerbelt Business Center Dr. #200, St. Louis MO 63114</u>
<i>Name</i>	<i>Address</i>
  
4. The management of the limited liability company is:       Manager       Member
  
5. The duration (period of existence) for this limited liability company is:  
12/31/2085
  
6. The name(s) and street address(es) of each organizer:  
Robert J. Jakubeck, 2127 Innerbelt Business Center Drive, Suite 200, Saint Louis MO 63114

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

Robert J. Jakubeck  
(Organizer Name)

THF Rapid City Investors, LLC  
 Balance Sheet  
 December 31, 2009

Assets

<b>Current Assets:</b>	
Cash Accounts	-
Accounts Receivable	-
Prepaid Expense	-
Due from THF Stoneridge Development, LLC	65,518.11
<b>Total Assets</b>	<u>65,518.11</u>
 <b>Fixed Assets:</b>	
Land	-
Buildings	-
<b>Total Fixed Assets</b>	<u>                    </u>
 <b>Other Fixed Assets:</b>	
Site Improvement	-
<b>Total Fixed Assets</b>	<u>                    </u>
 <b>Intangible Assets:</b>	
Start-Up Costs	-
<b>Total Intangible Assets</b>	<u>                    </u>
<b>Total Assets</b>	<u><u>65,518.11</u></u>

Liabilities

<b>Current Liabilities</b>	
Accounts Payable	-
<b>Total Current Liabilities</b>	<u>                    </u>
 <b>Long Term Liabilities</b>	
ESK Voluntary Loan	10,864.05
MHS Voluntary Loan	10,864.04
Due to THF Realty, dba THF Development	43,790.02
<b>Total Long Term Liabilities</b>	<u>65,518.11</u>
 <b>Retained Earnings</b>	
Retained Earnings	-
Current Earnings	-
<b>Total Owner Equity</b>	<u>                    </u>
<b>Total Liability &amp; Equity</b>	<u><u>65,518.11</u></u>

**THF Rapid City Investors, LLC**  
**Income Statement**  
**December 31, 2009**

Income	-
Total Income	<u>-</u>
Expenses	
Abandoned Assets	-
Total Expenses	<u>-</u>
Net Income (Loss)	<u>-</u>



# State of Missouri



Robin Carnahan  
Secretary of State

## CERTIFICATE OF ORGANIZATION

WHEREAS,

*THF Stoneridge Development, L.L.C.*  
*LC0974446*

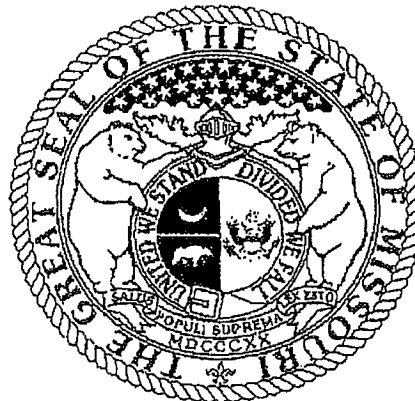
filed its Articles of Organization with this office on the June 10, 2009, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, ROBIN CARNAHAN, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the June 10, 2009, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this June 10, 2009.

*Robin Carnahan*

Secretary of State





**State of Missouri**  
**Robin Carnahan, Secretary of State**

File Number: 200916190633  
 LC0974446  
 Date Filed: 06/10/2009  
 Robin Carnahan  
 Secretary of State

**Articles of Organization**

1. The name of the limited liability company is:  
THF Stoneridge Development, L.L.C.
  
2. The purpose(s) for which the limited liability company is organized:  
The transaction of any lawful business for which a limited liability company may be organized under the Missouri Limited Liability Company Act, Chapter 347 RSMo.
  
3. The name and address of the limited liability company's registered agent in Missouri is:  

<u>Michael H. Staenberg</u>	<u>2127 Innerbelt Business Center Dr. #200, St. Louis MO 63114</u>
<i>Name</i>	<i>Address</i>
  
4. The management of the limited liability company is:       Manager       Member  
  
 The duration (period of existence) for this limited liability company is:  
12/31/2084
  
6. The name(s) and street address(es) of each organizer:  
Robert J. Jakubeck, 2127 Innerbelt Business Center Drive, Suite 200, St. Louis MO 63114

**In Affirmation thereof, the facts stated above are true and correct:**  
 (The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)  
Robert J. Jakubeck  
*(Organizer Name)*

**THF Stoneridge Development, LLC**  
**Balance Sheet**  
**December 31, 2009**

**Assets**

<b>Current Assets:</b>	
Cash Accounts	-
Accounts Receivable	-
Prepaid Expense	-
<b>Total Assets</b>	<u>                    -</u>
 <b>Fixed Assets:</b>	
Land	10,000.00
Buildings	-
<b>Total Fixed Assets</b>	<u>                    10,000.00</u>
 <b>Other Fixed Assets:</b>	
Site Improvement	55,044.94
<b>Total Fixed Assets</b>	<u>                    55,044.94</u>
 <b>Intangible Assets:</b>	
Start-Up Costs	8,571.37
<b>Total Intangible Assets</b>	<u>                    8,571.37</u>
 <b>Total Assets</b>	 <u><u>                    73,616.31</u></u>

**Liabilities**

<b>Current Liabilities</b>	
Accounts Payable	8,098.20
<b>Total Current Liabilities</b>	<u>                    8,098.20</u>
 <b>Long Term Liabilities</b>	
THF Rapid City Investors, LLC Voluntary Loan	65,518.11
<b>Total Long Term Liabilities</b>	<u>                    65,518.11</u>
Retained Earnings	-
Current Earnings	-
<b>Total Owner Equity</b>	<u>                    -</u>
 <b>Total Liability &amp; Equity</b>	 <u><u>                    73,616.31</u></u>

**THF Stoneridge Development, LLC**  
**Income Statement**  
**December 31, 2009**

Income

-

Total Income

                    -

Expenses

-

Total Expenses

                    -

Net Income (Loss)

                    -

THF Stoneridge Development, L.L.C.

Class A Members-THF Rapid City Investors, L.L.C.

Michael H Staenberg  
2127 innerbelt Business Center Drive  
Suite 200  
St. Louis, MO 63141

E. Stanley Kroenke  
211 North Stadium Blvd  
Suite 201  
Columbia, MO 65203

Class B Members-Stoneridge, L.L.C.

Pat Hall  
632 Main Street  
Rapid City, SD 57701

Hani Shafai  
528 Kansas City Street  
Suite 4  
Rapid City, SD 57701

SDS Consulting, LP  
C/O Sally Broucek  
412 Tamarack Drive  
Rapid City, SD 57701

Heirloom Investments, Inc  
C/O Scott Craig  
P.O. Box 8006  
Rapid City, SD 57709

Scheri Biehler  
170 50th Avenue place  
Greeley, CO 80634

## CONTRIBUTION AGREEMENT

This Contribution Agreement (the "Agreement") is made and entered into by and between THF STONERIDGE DEVELOPMENT, L.L.C., a Missouri limited liability company (hereinafter referred to as the "Company") and STONERIDGE, L.L.C., a South Dakota limited liability company (hereinafter referred to as "Contributor").

WITNESSETH:

WHEREAS, Contributor is the owner in fee simple of a certain parcel of real property, containing approximately \_\_\_\_ acres located South Rapid City, South Dakota, said real property being more particularly described on Exhibit A, which is attached hereto, and by this reference, incorporated herein, together with all improvements and appurtenances thereon or appertaining thereto, said real property together with such improvements and appurtenances being hereinafter collectively referred to as the "Property"; and

WHEREAS, the Company and Contributor are desirous of entering into this Agreement to provide for the contribution of the Property by Contributor to the Company upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants, promises and undertakings set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. CONTRIBUTION. Contributor agrees to contribute to the Company, and the Company agrees to accept from Contributor, for the Ownership Interest (as hereinafter defined) and on the terms and conditions set forth herein, all of Contributor's right, title and interest in and to the Property.

2. CONSIDERATION. The consideration for the conveyance of the Property shall be the receipt by Contributor of a fifty percent (50%) membership interest in the Company, which interest shall be subject to the terms of an operating agreement in the form of the operating agreement attached hereto as Exhibit B ("Ownership Interest").

3. EARNEST MONEY; CLOSING COSTS.

- (a) The Company shall deposit the sum of Ten Thousand Dollars (\$10,000.00) earnest money (the "Earnest Money") with a title company of the Company's choice (hereinafter referred to as the "Title Company"). Within ten (10) business days after the Effective Date (as defined in Section 11) the Company shall deliver to Contributor a receipt from the Title Company indicating that the Earnest Money has been received by the Title Company.

- (b) Real estate taxes and assessments shall be prorated as of the Closing Date (as hereinafter defined). The Company shall pay all costs associated with the acquisition of the Property.

4. CLOSING AND CONVEYANCE OF TITLE.

- (a) The closing of the acquisition of the Property shall be held ten (10) days following the expiration of the Due Diligence Period ("Closing" or "Closing Date").
- (b) Contributor shall deliver to the Company, on or before the Closing Date, the following closing documents:
  - (i) a recordable special warranty deed conveying to the Company marketable and insurable fee simple title to the Property, free and clear of all liens and encumbrances, subject only to real estate taxes and assessments, if any, for the current year which are a lien on the Property, but are not yet due and payable, and easements and restrictions of record;
  - (ii) an Affidavit of Title covering the Property, in customary form;
  - (iii) state and county real estate transfer tax declarations prepared and executed by Contributor;
  - (iv) an affidavit from Contributor stating (a) its taxpayer identification number, and (b) it is not a "foreign person" within the meaning of Section 1445 et seq. of the Internal Revenue Code of 1986 as amended; and
  - (v) such other documents, instruments, certifications and confirmations as may be reasonably required and designated by the Company to fully effect and consummate the transaction contemplated hereby.
- (c) Possession of the Property shall be delivered to the Company at Closing, free of all leases, tenancies, licensees and occupants.

5. CONTINGENCIES.

- (a) The Company may during the period commencing upon the Effective Date and ending one hundred twenty (120) days thereafter ("Due Diligence Period") conduct a complete inspection of the Property and conduct any investigations, engineering, hazardous waste, review of leases, title, survey and feasibility studies and analysis of the availability of all governmental approvals necessary for the Property, as the Company deems necessary or advisable in connection with its acquisition of the Property. If the Company determines before the expiration of the Due

Diligence Period that the Property is unsatisfactory in the Company's subjective discretion, the Company shall have the right to terminate this Agreement by giving to Contributor written notice of termination before the expiration of the Due Diligence Period and neither party shall have any further rights or liabilities hereunder except for those provisions which survive the termination of this Agreement. If the Company elects to exercise its right to terminate this Agreement prior to the expiration of the Due Diligence Period, the Earnest Money (with accrued interest) shall be returned to the Company immediately. Upon the termination of this Agreement pursuant to this Section 5(a), the Company shall provide Contributor with a copy of all studies of the Property commissioned by the Company. If the Company does not elect to exercise its right to terminate this Agreement prior to the expiration of the Due Diligence Period, then the Earnest Money shall become non-refundable, save and except in the event of the default of Contributor or as set forth in this Agreement.

- (b) Inspection Documents. Contributor shall deliver to the Company within five (5) days after the Effective Date:
- (i) true, correct and complete copies of all contracts and agreements entered into by Contributor or its agents in connection with the Property;
  - (ii) true, correct and complete copies of the most recent real estate tax bills and notices of assessed evaluation pertaining to the Property;
  - (iii) true, correct and complete copies of all engineering reports, soil test reports, environmental reports, wetlands materials and permits, feasibility studies and any other studies or reports conducted with respect to any portion of the Property which are in possession of or readily available to Contributor, or its agents or employees;
  - (iv) all contracts, options, leases and other agreements related to the Property, and agreements with tenants or prospective tenants for the above-described properties, including any offers to such tenants and prospective tenants;
  - (v) all agreements and documents in connection with the ownership and/or development of the Property including without limitation, all analyses of traffic flows, market studies, surveys, topographic surveys, title policies, underlying title documents, architectural plans, all building permits and applications, governmental licenses and approvals and all agreements with governmental authorities with respect to impact fees, obligations to construct public improvements, signalization, access to public streets and connections to utilities;



- (vi) any and all other contracts, agreements, certificates or correspondence with respect to the Property (excluding corporate minutes of Contributor);
- (vii) any other documents or information reasonably requested by the Company.

6. ENTRY RIGHTS. At any time after the Effective Date, the Company and its agents, employees, contractors and representatives shall have the right, privilege and license of entering upon the Property for the purpose of making soil test borings, utility studies, surveys, asbestos and hazardous waste studies, feasibility studies, engineering studies and any other studies and investigations as the Company deems necessary or desirable in connection with its investigation of the Property. The Company agrees to restore any material damage done to the Property by the Company or anyone acting in the Company's behalf in making such soil test borings or any such studies. The Company agrees to indemnify and hold Contributor harmless from and against all loss, cost, liability, and expense suffered by Contributor as a result of the foregoing studies or the exercise of entry rights by the Company, its agents, employees or independent contractors.

7. NOTICES. All notices and requests permitted or required to be given hereunder shall be in writing and shall be deemed effective (a) on the date delivered, if hand delivered, (b) on the date mailed by registered or certified U.S. Mail, return receipt requested, with adequate postage affixed, if mailed by registered or certified mail, or (c) on the date when sent, charges pre-paid, if delivered by reputable commercial overnight delivery service or U.S. Express Mail as evidenced by service receipt or by Express Mail postmark. All notices shall be addressed to the addressee stated hereinbelow or at such other address as either party shall designate in writing in the manner hereinabove set forth.

Address of Contributor:

Stoneridge LLC  
412 TAMM PARK  
RANDOLPH CITY  
SOUTH DAKOTA 57701

Address of the Company:

THF Stoneridge Development, L.L.C.  
 c/o THF Realty, Inc.  
 2127 Innerbelt Business Center Drive, Suite 200  
 St. Louis, Missouri 63114  
 Attention: Michael H. Staenberg

8. WAL-MART PARCEL. The parties intend that Lot 2 of the Property, as depicted on Exhibit C attached hereto and incorporated herein by this reference (the "Wal-Mart Property"), shall be sold to Wal-Mart Stores or an affiliate thereof, and that Contributor shall be entitled to retain all of the net proceeds from the sale of such property to Wal-Mart after paying off all indebtedness which encumbers the Property (the "Wal-Mart Transaction"). The Wal-Mart Property shall be conveyed by Contributor directly to Wal-Mart Stores on the Closing Date. The Company shall perform all of the site work in connection with the development of the proposed project and shall be entitled to receive reimbursement from Wal-Mart for Wal-Mart's share of

such site work. Notwithstanding anything in this Agreement to the contrary, the Closing contemplated hereunder shall be contingent upon the closing of the Wal-Mart Transaction. The provisions of this Section 8 shall survive the Closing.

9. BINDING UPON SUCCESSORS AND ASSIGNS. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

10. SURVIVAL OF OBLIGATIONS. Each of the covenants, agreements and indemnities contained in this Agreement shall be made as of the date of execution hereof and shall be deemed renewed upon and survive the date of Closing.

11. MISCELLANEOUS AND STATE LAW. Whenever it is provided in this Agreement that days shall be counted, the first day to be counted shall be the day following the date on which the event causing the period to commence occurs. If the day for performance of any action hereunder falls on a Saturday, Sunday, or legal holiday, then the time for performance shall be deemed extended to the next succeeding business day. The term "Effective Date" as used in this Agreement, shall mean the date of execution by the last of the parties hereto to execute this Agreement. This Agreement shall be construed under the laws of the State of South Dakota.

12. BROKER'S COMMISSION. Contributor represents and warrants that it has dealt with no broker, agent or other person in connection with this transaction other than PATRICK R. HALL ("Broker") and that no broker, agent or other person brought about this transaction other than Broker. Contributor agrees to indemnify and hold the Company harmless from and against any claims by any broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with Contributor with respect to this transaction, including Broker.

13. MODIFICATIONS. This Agreement may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by an instrument in writing and signed by the party against whom enforcement of any such waiver, amendment, modification, change or discharge is sought.

14. OPERATION OF PROPERTY PRIOR TO CLOSING. Except to the extent expressly provided by the terms of this Agreement, and except as expressly consented to by the Company in writing, Contributor agrees that, prior to Closing:

- (a) neither Contributor nor its agents or representatives shall enter into any leases, contracts or other agreements, whether oral or written, pertaining to any portion of the Property;
- (b) neither Contributor nor its agents or representatives shall sell, lease, mortgage, encumber, pledge, release or otherwise alienate any of its rights, title or interests in the Property;

- (c) neither Contributor nor its agents or representatives shall permit any grading or excavations of the Property, or any removal of trees therefrom nor shall they construct any building improvements thereon during the term of this Agreement;
- (d) Contributor will at all times until Closing comply, in all material respects with all applicable laws (whether statutory, common law, or otherwise), rules, regulations, orders, permits, licenses, ordinances, judgments, or decrees of all governmental authorities (whether federal, state, local, or otherwise), including, without limitation, all laws regarding public health or welfare, environmental protection, water and air pollution, composition of products, underground storage tanks, asbestos, toxic substances, hazardous wastes, hazardous substances, hazardous materials, waste or used oil, occupational health and safety, and/or nuisance, trespass, and negligence.

Contributor covenants and agrees to hold the Company harmless from any damages, loss, cost, liability or expense incurred by the Company as a result of Contributor's breach of any of the covenants contained in this Section 14.

15. WAIVER. Either party shall have the right to waive any condition or contingency in this Agreement for the benefit of the party granting such waiver. Any such waiver shall be in writing and shall be signed by the party waiving such condition or contingency.

16. RISK OF LOSS. Risk of loss shall remain with Contributor until the delivery of the deed at Closing. If the Property is materially damaged by fire or other natural cause so as to substantially impair the ability of the Company to utilize the property for its intended purpose, or in the event any portion of the Property is taken by condemnation or threat of condemnation prior to closing, the Company may, at its option, either cancel and rescind this Agreement and receive a refund of the earnest money deposit or the Company may accept the Property without reduction of the purchase price; provided that if the Company elects to so accept the Property any insurance proceeds covering the loss or the condemnation award attributable to the Property shall be assigned to the Company.

17. TIME IS OF ESSENCE. Time is of the essence in this Agreement.

18. ENTIRE AGREEMENT. This Agreement, together with the Exhibits hereto, represents the entire agreement and understanding of the parties hereto with reference to the transactions set forth herein, and no representations, warranties or covenants have been made in connection with this Agreement other than those expressly set forth herein, in the Exhibits, certificates, agreements and other documents delivered in accordance herewith. This Agreement supersedes all prior negotiations, discussions, correspondence, communications, understandings and agreements between the parties relating to the subject matter of this Agreement and all prior drafts of this Agreement, all of which are merged into this Agreement. The Exhibits attached hereto are a part of this Agreement as if fully set forth herein.

IN WITNESS WHEREOF, the Company has executed this Agreement as of the \_\_\_\_ day of June, 2009.

THE COMPANY:


THF STONERIDGE DEVELOPMENT, L.L.C.

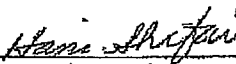
By: \_\_\_\_\_  
Michael H. Staenberg, Manager

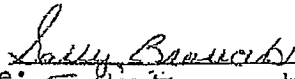
This Agreement is agreed to and accepted by Contributor this \_\_\_\_ day of June, 2009.

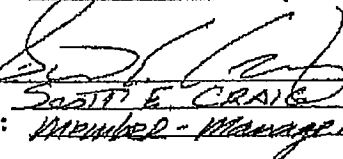
CONTRIBUTOR:

STONERIDGE, L.L.C.

By:   
Name: DARICK R. HALL  
Title: MANAGER MEMBER

By:   
Name: HANI SHAFAI  
Title: MEMBER MANAGER

By:   
Name: SALLY BAUCCHI  
Title: MEMBER - MANAGER

By:   
Name: SCOTT E. CRAIG  
Title: MEMBER - MANAGER

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_