

# 2013 TAX RETURN FILING INSTRUCTIONS

## U.S. RETURN OF PARTNERSHIP INCOME

FOR THE YEAR ENDING

December 31, 2013

Prepared for	Sierra Meadows, Ltd, 8410 Lantern Point Dr Houston, TX 77054
Prepared by	Novogradac & Company LLP 11044 Research Blvd, Bldg C, Suite 400 Austin, TX 78759
To be signed and dated by	A general partner
Amount of tax	Not applicable
Mail tax return to	This return has been prepared for electronic filing. To have it transmitted electronically to the IRS, please sign, date, and return Form 8879-PE to our office. We will then submit your electronic return.
Forms to be distributed to partners	Enclosed are copies of Schedule K-1 to be distributed to the partners.
Return must be mailed on or before	Not applicable
Special Instructions	Do not mail the paper copy of the return to the IRS.

Form **8879-PE****IRS e-file Signature Authorization  
for Form 1065**

OMB No. 1545-2042

**2013**Department of the Treasury  
Internal Revenue Service

► Do not send to the IRS. Keep for your records.

► Information about Form 8879-PE and its instructions is at [www.irs.gov/form8879pe](http://www.irs.gov/form8879pe).

For calendar year 2013, or tax year beginning , 2013, ending , 20

Name of partnership

**SIERRA MEADOWS, LTD,**Employer identification number  
**27-0941166****Part I Return Information** (Whole dollars only)

1	Gross receipts or sales less returns and allowances (Form 1065, line 1c)	1	
2	Gross profit (Form 1065, line 3)	2	
3	Ordinary business income (loss) (Form 1065, line 22)	3	
4	Net rental real estate income (loss) (Form 1065, Schedule K, line 2)	4	-380,868.
5	Other net rental income (loss) (Form 1065, Schedule K, line 3c)	5	

**Part II Declaration and Signature Authorization of General Partner or Limited Liability Company Member Manager** (Be sure to get a copy of the partnership's return)

Under penalties of perjury, I declare that I am a general partner or limited liability company member manager of the above partnership and that I have examined a copy of the partnership's 2013 electronic return of partnership income and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the partnership's electronic return of partnership income. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the partnership's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission and (b) the reason for any delay in processing the return. I have selected a personal identification number (PIN) as my signature for the partnership's electronic return of partnership income.

General Partner or Limited Liability Company Member Manager's PIN: check one box only

☒ I authorize **NOVOGRADAC & COMPANY LLP** to enter my PIN **41166**  
ERO firm name  
as my signature on the partnership's 2013 electronically filed return of partnership income.  
do not enter all zeros

☐ As a general partner or limited liability company member manager of the partnership, I will enter my PIN as my signature on the partnership's 2013 electronically filed return of partnership income.

General partner or limited liability company member manager's signature ►

Title ► **MANAGING MEMBER**Date ► **5/29/14****Part III Certification and Authentication**

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. **94076741166**  
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2013 electronically filed return of partnership income for the partnership indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 3112, IRS e-file Application and Participation, and Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ►

Date ►

**ERO Must Retain This Form - See Instructions**  
**Do Not Submit This Form to the IRS Unless Requested To Do So**

For Paperwork Reduction Act Notice, see instructions.

Form **8879-PE** (2013)

LHA

**1065****U.S. Return of Partnership Income**

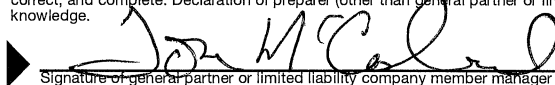
OMB No. 1545-0099

For calendar year 2013, or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_  
**EXTENSION GRANTED TO 09/15/14****2013**

<b>A</b> Principal business activity  <b>REAL ESTATE</b>	<b>Type or Print</b>	Name of partnership <b>SIERRA MEADOWS, LTD,</b>	<b>D</b> Employer identification number <b>27-0941166</b>
<b>B</b> Principal product or service  <b>RENTAL</b>		Number, street, and room or suite no. If a P.O. box, see the instructions. <b>8410 LANTERN POINT DR</b>	<b>E</b> Date business started <b>09/22/2009</b>
<b>C</b> Business code number <b>531110</b>		City or town, state or province, country, and ZIP or foreign postal code <b>HOUSTON TX 77054</b>	<b>F</b> Total assets <b>\$10,698,694.</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>▶</b>			
<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>▶ 4</b>			
<b>J</b> Check if Schedules C and M-3 are attached <input checked="" 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>	<b>1 a</b> Gross receipts or sales	<b>1a</b>	
	<b>b</b> Returns and allowances	<b>1b</b>	
	<b>c</b> Balance. Subtract line 1b from line 1a		<b>1c</b>
	<b>2</b> Cost of goods sold (attach Form 1125-A)		<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>7</b>	
<b>8</b> <b>Total income (loss).</b> Combine lines 3 through 7		<b>8</b>	
<b>Deductions (see the instructions for limitations)</b>	<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>15</b> Interest		<b>15</b>
	<b>16 a</b> Depreciation (if required, attach Form 4562)	<b>16a</b>	
	<b>b</b> Less depreciation reported on Form 1125-A and elsewhere on return	<b>16b</b>	<b>16c</b>
	<b>17</b> Depletion ( <b>Do not deduct oil and gas depletion.</b> )		<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>20</b>
	<b>21</b> <b>Total deductions.</b> Add the amounts shown in the far right column for lines 9 through 20		<b>21</b>
<b>22</b> <b>Ordinary business income (loss).</b> Subtract line 21 from line 8		<b>22</b> <b>0.</b>	

<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.				
	 Signature of general partner or limited liability company member manager	<b>6/9/14</b> Date	May the IRS discuss this return with the preparer shown below (see Instr. J)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>PHONG TRAN</b>	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN <b>P00548618</b>
	Firm's name <b>▶</b> <b>NOVOGRADAC &amp; COMPANY LLP</b>	Firm's EIN <b>▶</b> <b>94-3108253</b>			
	Firm's address <b>▶</b> <b>11044 RESEARCH BLVD, BLDG C, SUITE 400 AUSTIN, TX 78759</b>	Phone no. <b>5123400420</b>			

LHA For Paperwork Reduction Act Notice, see separate instructions.

Form **1065** (2013)

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

OMB No. 1545-0233

► File a separate application for each return.  
► Information about Form 7004 and its separate instructions is at [www.irs.gov/form7004](http://www.irs.gov/form7004).

**Print  
or  
Type**

Name	Identifying number
SIERRA MEADOWS, LTD,	27-0941166
Number, street, and room or suite no. (If P.O. box, see instructions.)	
8410 LANTERN POINT DR	
City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)).	
HOUSTON, TX 77054	

**Note.** File request for extension by the due date of the return for which the extension is granted. See instructions before completing this form.

**Part I Automatic 5-Month Extension**

**1a** Enter the form code for the return that this application is for (see below) 09

Application Is For:	Form Code	Application Is For:	Form Code
Form 1065	09	Form 1041 (estate other than a bankruptcy estate)	04
Form 8804	31	Form 1041 (trust)	05

**Part II Automatic 6-Month Extension**

**b** Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND (section 4951 taxes)	20
Form 706-GS(T)	02	Form 1120-PC	21
Form 1041 (bankruptcy estate only)	03	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120S	25
Form 1065-B	10	Form 1120-SF	26
Form 1066	11	Form 3520-A	27
Form 1120	12	Form 8612	28
Form 1120-C	34	Form 8613	29
Form 1120-F	15	Form 8725	30
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8876	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36

**2** If the organization is a foreign corporation that does not have an office or place of business in the United States, check here ☐

**3** If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here ☐  
If checked, attach a statement, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

**Part III All Filers Must Complete This Part**

**4** If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here ☐

**5a** The application is for calendar year 2013, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

**b Short tax year.** If this tax year is less than 12 months, check the reason: ☐ Initial return ☐ Final return  
☐ Change in accounting period ☐ Consolidated return to be filed ☐ Other (see instructions-attach explanation)

<b>6</b> Tentative total tax	<b>6</b>
<b>7</b> Total payments and credits (see instructions)	<b>7</b>
<b>8</b> Balance due. Subtract line 7 from line 6 (see instructions)	<b>8</b>

**Schedule B Other Information**

<b>1</b> What type of entity is filing this return? Check the applicable box:				<b>Yes</b>	<b>No</b>
<b>a</b> <input type="checkbox"/> Domestic general partnership	<b>b</b> <input checked="" type="checkbox"/> Domestic limited partnership				
<b>c</b> <input type="checkbox"/> Domestic limited liability company	<b>d</b> <input type="checkbox"/> Domestic limited liability partnership				
<b>e</b> <input type="checkbox"/> Foreign partnership	<b>f</b> <input type="checkbox"/> Other ►				
<b>2</b> 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? .....				<b>X</b>	
<b>3</b> At the end of the tax year:					
<b>a</b> Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government 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 .....				<b>X</b>	
<b>b</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 .....					<b>X</b>
<b>4</b> At the end of the tax year, did the partnership:					
<b>a</b> 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 .....					<b>X</b>
(i) Name of Corporation		(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock	
<b>b</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 .....					<b>X</b>
(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>Yes</b>	<b>No</b>
<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 .....					<b>X</b>
<b>6</b> Does the partnership satisfy <b>all four</b> of the following conditions?					
<b>a</b> The partnership's total receipts for the tax year were less than \$250,000.					
<b>b</b> The partnership's total assets at the end of the tax year were less than \$ 1 million.					
<b>c</b> 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.					
<b>d</b> The partnership is not filing and is not required to file Schedule M-3 .....					<b>X</b>
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.					
<b>7</b> Is this partnership a publicly traded partnership as defined in section 469(k)(2)? .....					<b>X</b>
<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? .....					<b>X</b>
<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? .....					<b>X</b>
<b>10</b> At any time during calendar year 2013, 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 FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR) (formerly TD F 90-22.1). If "Yes," enter the name of the foreign country. ►					<b>X</b>

**Schedule B Other Information** (continued)

	Yes	No
<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		<b>X</b>
<b>12a</b> Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		<b>X</b>
<b>b</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		<b>X</b>
<b>c</b> 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		<b>X</b>
<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 (other than disregarded entities wholly-owned by the partnership throughout the tax year) <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?		<b>X</b>
<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		
<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.		<b>X</b>
<b>17</b> Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return.		
<b>18a</b> Did you make any payments in 2013 that would require you to file Form(s) 1099? See instructions	<b>X</b>	
<b>b</b> If "Yes," did you or will you file required Form(s) 1099?	<b>X</b>	
<b>19</b> Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return.		
<b>20</b> Enter the number of partners that are foreign governments under section 892.		

**Designation of Tax Matters Partner** (see instructions)

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

Name of designated TMP	<b>HCHA SIERRA MEADOWS, LLC</b>	Identifying number of TMP	<b>27-0941093</b>
If the TMP is an entity, name of TMP representative	<b>TOM MCCASLAND</b>	Phone number of TMP	<b>713-669-4511</b>
Address of designated TMP	<b>8933 INTERCHANGE DRIVE HOUSTON, TX 77054</b>		

Form **1065** (2013)

Schedule K Partners' Distributive Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	0.
	2 Net rental real estate income (loss) (attach Form 8825) SEE STATEMENT 2	2	-380,868.
	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	98.
	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	
	b Gross farming or fishing income	14b	
	c Gross nonfarm income	14c	
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 ▶		
	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	3,257.
	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	98.
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	-380,770.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt Organization	(vi) Nominee/Other	
a General partners							-38.
b Limited partners					-3,808.	-376,924.	

**Schedule L Balance Sheets per Books**

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		131,499.		77,120.
2a Trade notes and accounts receivable	8,121.		2,871.	
b Less allowance for bad debts		8,121.		2,871.
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach statement)	STATEMENT 4	426,872.		347,483.
7a Loans to partners (or persons related to partners)				
b Mortgage and real estate loans				
8 Other investments (attach statement)				
9a Buildings and other depreciable assets	11,010,226.		11,013,617.	
b Less accumulated depreciation	691,607.	10,318,619.	1,099,509.	9,914,108.
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)	403,222.		407,966.	
b Less accumulated amortization	49,126.	354,096.	50,854.	357,112.
13 Other assets (attach statement)				
14 Total assets		11,239,207.		10,698,694.
<b>Liabilities and Capital</b>				
15 Accounts payable		10,244.		7,623.
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach statement)	STATEMENT 5	1,102,771.		1,154,480.
18 All nonrecourse loans				
19a Loans from partners (or persons related to partners)				
b Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach statement)	STATEMENT 6	10,588,414.		9,971,203.
21 Partners' capital accounts		-462,222.		-434,612.
22 Total liabilities and capital		11,239,207.		10,698,694.

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

Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

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

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

1 Balance at beginning of year	7,986,548.	6 Distributions: a Cash	
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books	27,610.	STMT 7	408,380.
4 Other increases (itemize):		8 Add lines 6 and 7	408,380.
5 Add lines 1 through 4	8,014,158.	9 Balance at end of year. Subtract line 8 from line 5	7,605,778.

**SCHEDULE B-1  
(Form 1065)**(Rev. December 2011)  
Department of the Treasury  
Internal Revenue Service**Information on Partners Owning 50% or  
More of the Partnership**▶ **Attach to Form 1065. See instructions.**

OMB No. 1545-0099

Name of partnership

Employer identification number

SIERRA MEADOWS, LTD,

27-0941166

**Part I Entities 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, tax-exempt organization, or any foreign government 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
SIERRA MEADOWS INVESTORS, LLC	45-1585325	OTHER	UNITED STATES	98.98

**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

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

Schedule B-1 (Form 1065) (Rev. 12-2011)

**SCHEDULE M-3**  
(Form 1065)

Department of the Treasury  
Internal Revenue Service

**Net Income (Loss) Reconciliation  
for Certain Partnerships**

▶ Attach to Form 1065 or Form 1065-B.

▶ Information about Schedule M-3 (Form 1065) and its instructions is at [www.irs.gov/form1065](http://www.irs.gov/form1065).

OMB No. 1545-0099

**2013**

Name of partnership

Employer identification number

**SIERRA MEADOWS, LTD,**

**27-0941166**

This Schedule M-3 is being filed because (check all that apply):

- A ☒ The amount of the partnership's total assets at the end of the tax year is equal to \$10 million or more.
- B ☒ The amount of the partnership's adjusted total assets for the year is equal to \$10 million or more. If box B is checked, enter the amount of adjusted total assets for the tax year 11,133,306.
- C ☐ The amount of total receipts for the tax year is equal to \$35 million or more. If box C is checked, enter the total receipts for the tax year \_\_\_\_\_.
- D ☒ An entity that is a reportable entity partner with respect to the partnership owns or is deemed to own an interest of 50 percent or more in the partnership's capital, profit, or loss, on any day during the tax year of the partnership.

Name of Reportable Entity Partner	Identifying Number	Maximum Percentage Owned or Deemed Owned
KENNETH FAMBRO	329-08-0835	98.9800%

E ☐ Voluntary Filer

**Part I Financial Information and Net Income (Loss) Reconciliation**

- 1a Did the partnership file SEC Form 10-K for its income statement period ending with or within this tax year?  
☐ Yes. Skip lines 1b and 1c and complete lines 2 through 11 with respect to that SEC Form 10-K.  
☒ No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.
- b Did the partnership prepare a certified audited non-tax-basis income statement for that period?  
☒ Yes. Skip line 1c and complete lines 2 through 11 with respect to that income statement.  
☐ No. Go to line 1c.
- c Did the partnership prepare a non-tax-basis income statement for that period?  
☐ Yes. Complete lines 2 through 11 with respect to that income statement.  
☐ No. Skip lines 2 through 3b and enter the partnership's net income (loss) per its books and records on line 4a.
- 2 Enter the income statement period: Beginning 01/01/2013 Ending 12/31/2013
- 3a Has the partnership's income statement been restated for the income statement period on line 2?  
☐ Yes. (If "Yes," attach a statement and the amount of each item restated.)  
☒ No.
- b Has the partnership's income statement been restated for any of the five income statement periods preceding the period on line 2?  
☐ Yes. (If "Yes," attach a statement and the amount of each item restated.)  
☒ No.

4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1	4a	27,610.
b Indicate accounting standard used for line 4a (see instructions): 1 <input checked="" type="checkbox"/> GAAP    2 <input type="checkbox"/> IFRS    3 <input type="checkbox"/> 704(b) 4 <input type="checkbox"/> Tax-basis    5 <input type="checkbox"/> Other: (specify) ▶ _____		
5a Net income from nonincludible foreign entities (attach statement) .....	5a	( )
b Net loss from nonincludible foreign entities (attach statement and enter as a positive amount) .....	5b	
6a Net income from nonincludible U.S. entities (attach statement) .....	6a	( )
b Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount) .....	6b	
7a Net income (loss) of other foreign disregarded entities (attach statement) .....	7a	
b Net income (loss) of other U.S. disregarded entities (attach statement) .....	7b	
8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach stmt.) .....	8	
9 Adjustment to reconcile income statement period to tax year (attach statement) .....	9	
10 Other adjustments to reconcile to amount on line 11 (attach statement) .....	10	
11 Net income (loss) per income statement of the partnership. Combine lines 4a through 10 .....	11	27,610.

Note. Part I, line 11, must equal the amount on Part II, line 26, column (a).

- 12 Enter the total amount (not just the partnership's share) of the assets and liabilities of all entities included or removed on the following lines:

	Total Assets	Total Liabilities
a Included on Part I, line 4	10,698,694.	11,133,306.
b Removed on Part I, line 5		
c Removed on Part I, line 6		
d Included on Part I, line 7		

For Paperwork Reduction Act Notice, see the Instructions for your return.

Schedule M-3 (Form 1065) 2013

Name of partnership

SIERRA MEADOWS, LTD,

Employer identification number

27-0941166

**Part II Reconciliation of Net Income (Loss) per Income Statement of Partnership with Income (Loss) per Return**

Income (Loss) Items	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
(Attach statements for lines 1 through 9)				
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar income inclusions				
4 Gross foreign distributions previously taxed				
5 Income (loss) from equity method U.S. corporations				
6 U.S. dividends				
7 Income (loss) from U.S. partnerships				
8 Income (loss) from foreign partnerships				
9 Income (loss) from other pass-through entities				
10 Items relating to reportable transactions (attach statement)				
11 Interest income (attach Form 8916-A)	98.			98.
12 Total accrual to cash adjustment				
13 Hedging transactions				
14 Mark-to-market income (loss)				
15 Cost of goods sold (attach Form 8916-A)	( )			( )
16 Sale versus lease (for sellers and/or lessors)				
17 Section 481(a) adjustments				
18 Unearned/deferred revenue				
19 Income recognition from long-term contracts				
20 Original issue discount and other imputed interest				
21a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities				
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
e Abandonment losses				
f Worthless stock losses (attach statement)				
g Other gain/loss on disposition of assets other than inventory				
22 Other income (loss) items with differences (attach statement) STMT 10	984,691.	-228,738.		755,953.
23 Total income (loss) items. Combine lines 1 through 22	984,789.	-228,738.		756,051.
24 Total expense/deduction items (from Part III, line 31) (see instructions)	-558,536.	-179,642.		-738,178.
25 Other items with no differences STMT 11	-398,643.			-398,643.
26 Reconciliation totals. Combine lines 23 through 25	27,610.	-408,380.		-380,770.

**Note.** Line 26, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1065, Analysis of Net Income (Loss), line 1.

Name of partnership

SIERRA MEADOWS, LTD,

Employer identification number

27-0941166

**Part III Reconciliation of Net Income (Loss) per Income Statement of Partnership With Income (Loss) per Return - Expense/Deduction Items**

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 State and local current income tax expense .....				
2 State and local deferred income tax expense .....				
3 Foreign current income tax expense (other than foreign withholding taxes) .....				
4 Foreign deferred income tax expense .....				
5 Equity-based compensation .....				
6 Meals and entertainment .....				
7 Fines and penalties .....				
8 Judgments, damages, awards, and similar costs .....				
9 Guaranteed payments .....				
10 Pension and profit-sharing .....				
11 Other post-retirement benefits .....				
12 Deferred compensation .....				
13 Charitable contribution of cash and tangible property .....				
14 Charitable contribution of intangible property .....				
15 Organizational expenses as per Regulations section 1.709-2(a) .....				
16 Syndication expenses as per Regulations section 1.709-2(b) ..				
17 Current year acquisition/reorganization investment banking fees .....				
18 Current year acquisition/reorganization legal and accounting fees .....				
19 Amortization/impairment of goodwill .....				
20 Amortization of acquisition, reorganization, and start-up costs .....				
21 Other amortization or impairment write-offs .....	1,728.	22,069.		23,797.
22 Reserved .....				
23a Depletion - Oil & Gas .....				
b Depletion - Other than Oil & Gas .....				
24 Intangible drilling & development costs .....				
25 Depreciation .....	407,902.	157,573.		565,475.
26 Bad debt expense .....				
27 Interest expense (attach Form 9916-A) .....	148,906.			148,906.
28 Purchase versus lease (for purchasers and/or lessees) .....				
29 Research and development costs .....				
30 Other expense/deduction items with differences (attach statement) .....				
31 <b>Total expense/deduction items.</b> Combine lines 1 through 30. Enter here and on Part II, line 24, reporting positive amounts as negative and negative amounts as positive .....	558,536.	179,642.		738,178.

JWA

Schedule M-3 (Form 1065) 2013

Form **8916-A****Supplemental Attachment to Schedule M-3**

OMB No. 1545-2061

Department of the Treasury  
Internal Revenue Service

- ▶ Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.  
▶ Information about Form 8916-A and its instructions is at [www.irs.gov/form1120](http://www.irs.gov/form1120).

**2013**

Name of common parent <b>SIERRA MEADOWS, LTD,</b>	Employer identification number <b>27-0941166</b>
Name of subsidiary	Employer identification number

**Part I Cost of Goods Sold**

Cost of Goods Sold Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 Amounts attributable to cost flow assumptions				
2 Amounts attributable to:				
a Stock option expense .....				
b Other equity based compensation .....				
c Meals and entertainment .....				
d Parachute payments .....				
e Compensation with section 162(m) limitation				
f Pension and profit sharing .....				
g Other post-retirement benefits .....				
h Deferred compensation .....				
i Reserved .....				
j Amortization .....				
k Depletion .....				
l Depreciation .....				
m Corporate owned life insurance premiums ...				
n Other section 263A costs .....				
3 Inventory shrinkage accruals .....				
4 Excess inventory and obsolescence reserves				
5 Lower of cost or market write-downs .....				
6 Other items with differences (attach statement)				
7 Other items with no differences .....				
8 <b>Total cost of goods sold.</b> Add lines 1 through 7 in columns a, b, c, and d. Enter totals on the applicable Schedule M-3. See instructions ...				

JWA For Paperwork Reduction Act Notice, see instructions.

Form 8916-A (2013)

**Part II Interest Income**

	Interest Income Item	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1	Tax-exempt interest income				
2	Interest income from hybrid securities				
3	Sale/lease interest income				
4a	Intercompany interest income - From outside tax affiliated group				
4b	Intercompany interest income - From tax affiliated group				
5	Other interest income <b>STMT 13</b>	<b>98.</b>			<b>98.</b>
6	Total interest income. Add lines 1 through 5 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.	<b>98.</b>			<b>98.</b>

**Part III Interest Expense**

	Interest Expense Item	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	Interest expense from hybrid securities				
2	Lease/purchase interest expense				
3a	Intercompany interest expense - Paid to outside tax affiliated group				
3b	Intercompany interest expense - Paid to tax affiliated group				
4	Other interest expense <b>STMT 14</b>	<b>148,906.</b>			<b>148,906.</b>
5	Total interest expense. Add lines 1 through 4 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.	<b>148,906.</b>			<b>148,906.</b>

JWA

Form **8916-A** (2013)

**SCHEDULE C  
(Form 1065)**(Rev. December 2011)  
Department of the Treasury  
Internal Revenue Service**Additional Information for Schedule M-3 Filers**

▶ Attach to Form 1065. See separate instructions.

OMB No. 1545-0099

Name of partnership

Employer identification number

**SIERRA MEADOWS, LTD,****27-0941166**

	Yes	No
1 At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8? .....		<b>X</b>
2 Do the amounts reported on Schedule M-3, Part II, lines 7 or 8, column (d), reflect allocations to this partnership from another partnership of income, gain, loss, deduction, or credit that are disproportionate to this partnership's share of capital in such partnership or its ratio for sharing other items of such partnership? .....		<b>X</b>
3 At any time during the tax year, did the partnership sell, exchange, or transfer any interest in an intangible asset to a related person as defined in sections 267(b) and 707(b)(1)? .....		<b>X</b>
4 At any time during the tax year, did the partnership acquire any interest in an intangible asset from a related person as defined in sections 267(b) and 707(b)(1)? .....		<b>X</b>
5 At any time during the tax year, did the partnership make any change in accounting principle for financial accounting purposes? See instructions for a definition of change in accounting principle .....		<b>X</b>
6 At any time during the tax year, did the partnership make any change in a method of accounting for U.S. income tax purposes? .....		<b>X</b>

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

Schedule C (Form 1065) (Rev. 12-2011)

Form **4562**Department of the Treasury  
Internal Revenue Service (99)  
Name(s) shown on return**Depreciation and Amortization**  
**(Including Information on Listed Property)**

▶ See separate instructions.

▶ Attach to your tax return.

R-

1

OMB No. 1545-0172

**2013**Attachment  
Sequence No. **179**

SIERRA MEADOWS, LTD,

SIERRA MEADOWS

27-0941166

**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 instructions)	1	
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	
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 2012 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 2014. 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 2013	17	565,336.
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 2013 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		2,480.	15 YRS.	HY	150DB	124.
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	7 / 13	911.	27.5 yrs.	MM	S/L	15.
	/		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 2013 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	565,475.
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, 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.)

<b>24a</b> Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No				<b>24b</b> If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No				
(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
<b>25</b> Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use							<b>25</b>	
<b>26</b> Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
<b>27</b> Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
<b>28</b> Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							<b>28</b>	
<b>29</b> Add amounts in column (i), line 26. Enter here and on line 7, page 1							<b>29</b>	

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

<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
<b>38</b> 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		
<b>39</b> Do you treat all use of vehicles by employees as personal use?		
<b>40</b> 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?		
<b>41</b> 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
<b>42</b> Amortization of costs that begins during your 2013 tax year:					
PERM LOAN FEES	080513	4,744.	461	360M	66.
<b>43</b> Amortization of costs that began before your 2013 tax year				<b>43</b>	23,731.
<b>44</b> Total. Add amounts in column (f). See the instructions for where to report				<b>44</b>	23,797.

## R- 1

316261  
05-01-13

# ALTERNATIVE MINIMUM TAX DEPRECIATION REPORT

ASSET NUMBER	DESCRIPTION	AMT METHOD	AMT LIFE	REGULAR DEPRECIATION	AMT DEPRECIATION	AMT ADJUSTMENT
1	BUILDINGS	SL	27.50	296,438.	296,438.	0.
2	SITE IMPROVEMENTS	150DB	15.00	221,578.	221,578.	0.
3	PERSONAL PROPERTY	150DB	5.00	46,330.	43,073.	3,257.
9	SITE IMPROVEMENTS	150DB	15.00	113.	113.	0.
10	BUILDINGS ADDITIONS	SL	27.50	877.	877.	0.
11	BUILDINGS	SL	27.50	15.	15.	0.
12	PERSONAL PROPERTY	150DB	15.00	124.	124.	0.
	TOTALS			565,475.	562,218.	3,257.
	MACRS AMT ADJUSTMENT				3,257.	

Election Not to Claim the Additional First Year  
Depreciation Allowable Under IRC Sec. 168(k)

Sierra Meadows, Ltd,  
8410 Lantern Point Dr  
Houston, TX 77054

Employer Identification Number: 27-0941166

For the Year Ending December 31, 2013

Sierra Meadows, Ltd,, hereby Elects, pursuant to IRC Sec. 168(k)(2)(D)(iii), not to claim the additional depreciation allowable under IRC Sec. 168(k) for the following qualifying property placed in service during the tax year ending December 31, 2013.

All property in the 5 year class.

See attached Form 4562.

**Rental Real Estate Income and Expenses of a  
Partnership or an S Corporation**

OMB No. 1545-1186

▶ See instructions on page 2.  
▶ Attach to Form 1065, Form 1065-B, or Form 1120S.

Name **SIERRA MEADOWS, LTD,** Employer identification number **27 0941166**

1 Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions. See page 2 to list additional properties.			
Physical address of each property - street, city, state, ZIP code	Type - Enter code 1-8; see page 2 for list	Fair Rental Days	Personal Use Days
<b>A</b> BELTWAY 8 & EAST OF WILSON ROAD HOUSTON, TX 77396	<b>2</b>	<b>365</b>	<b>0</b>
<b>B</b>			
<b>C</b>			
<b>D</b>			

		Properties			
		A	B	C	D
<b>Rental Real Estate Income</b>					
2 Gross rents	2	755,953.			
<b>Rental Real Estate Expenses</b>					
3 Advertising	3	6,202.			
4 Auto and travel	4				
5 Cleaning and maintenance	5	40,348.			
6 Commissions	6				
7 Insurance	7	49,197.			
8 Legal and other professional fees	8	15,400.			
9 Interest	9	148,906.			
10 Repairs	10	17,292.			
11 Taxes	11				
12 Utilities	12	99,174.			
13 Wages and salaries	13				
14 Depreciation (see instructions)	14	565,475.			
15 Other (list) ▶ <b>STMT 8</b>	15	194,827.			
16 Total expenses for each property. Add lines 3 through 15	16	1,136,821.			
17 Income or (Loss) from each property. Subtract line 16 from line 2	17	-380,868.			
18a Total gross rents. Add gross rents from line 2, columns A through H	18a	755,953.			
b Total expenses. Add total expenses from line 16, columns A through H	18b	( 1,136,821.)			
19 Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities	19				
20a Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1)	20a				
b Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed:					
(1) Name	(2) Employer identification number				
21 Net rental real estate income (loss). Combine lines 18a through 20a. Enter the result here and on:	21	-380,868.			
• Form 1065 or 1120S: Schedule K, line 2, or					
• Form 1065-B: Part I, line 4					

## FOOTNOTES

STATEMENT 1

## SCHEDULE B STATEMENT

TAXPAYER HAS PROVIDED THE INFORMATION REQUIRED IN 2013  
FORM 1065. SCHEDULE B. BASED ON ALL INFORMATION AVAILABLE  
TO THE TAXPAYER AT THE TIME THE RETURN WAS FILED.  
TAXPAYER HAS MADE ITS BEST EFFORTS IN OBTAINING ALL  
REQUIRED INFORMATION FOR SCHEDULE B AS REQUIRED BY  
APPLICABLE IRS REGULATIONS FOR THE INSTRUCTIONS TO THE  
FORM.

## RECONCILIATION OF MEMBERS' EQUITY (DEFICIT) ACCOUNT

SCHEDULE L, LINE 21, MEMBERS' CAPITAL ACCOUNT -434,612.

## RECONCILING ITEMS:

ORGANIZATION COSTS	8,415.
TAX EXEMPT INCOME	8,514,653.
ACCUMULATION DEPRECIATION	-449,832.
ACCUMULATION AMORTIZATION	-35,171.
PREPAID RENT	2,325.

SCHEDULE M-2, LINE 9 7,605,778.

SCHEDULE K	NET INCOME (LOSS) FROM RENTAL REAL ESTATE	STATEMENT	2
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DESCRIPTION	AMOUNT
MULTI-FAMILY RESIDENCE - SIERRA MEADOWS	-380,868.
TOTAL TO SCHEDULE K, LINE 2	-380,868.

SCHEDULE K	INTEREST INCOME	STATEMENT	3
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DESCRIPTION	U.S. BONDS	OTHER
INTEREST INCOME		98.
TOTAL TO SCHEDULE K, LINE 5		98.

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT	4
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DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
PREPAID EXPENSES	33,562.	34,106.
RESTRICTED CASH	393,310.	313,377.
TOTAL TO SCHEDULE L, LINE 6	426,872.	347,483.

SCHEDULE L	OTHER CURRENT LIABILITIES	STATEMENT	5
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DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
ACCRUED EXPENSES	5,939.	0.
ACCRUED INTEREST	12,658.	12,607.
DEFERRED EXCHANGE FUND INCOME	603,854.	0.
DEFERRED REVENUE	0.	983,212.
DEVELOPER FEE PAYABLE	447,669.	121,943.
DUE TO RELATED PARTIES	3,022.	6,827.
PREPAID RENT	3,448.	2,325.
SECURITY DEPOSITS PAYABLE	26,181.	27,566.
TOTAL TO SCHEDULE L, LINE 17	1,102,771.	1,154,480.

SCHEDULE L	OTHER LIABILITIES	STATEMENT	6
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DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
CONSTRUCTION LOAN	2,450,000.	2,439,762.
CONSTRUCTION LOAN - SECTION 1602 EXCHANGE FUND	8,138,414.	7,531,441.
TOTAL TO SCHEDULE L	10,588,414.	9,971,203.

SCHEDULE M-2	OTHER DECREASES	STATEMENT	7
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DESCRIPTION	AMOUNT
CONVERSION OF BOOK TO TAX LOSSES	41.
CONVERSION OF BOOK TO TAX LOSSES	404,215.
CONVERSION OF BOOK TO TAX LOSSES	4,083.
CONVERSION OF BOOK TO TAX LOSSES	41.
TOTAL TO SCHEDULE M-2, LINE 7	408,380.

## OTHER RENTAL EXPENSES

STATEMENT

8

## MULTI-FAMILY RESIDENCE

PROPERTY: SIERRA MEADOWS

LOCATION: BELTWAY 8 &amp; EAST OF WILSON ROAD, HOUSTON, TX 77396

## DESCRIPTION

AMOUNT

GEN AND ADMINISTRATION	28,489.
OTHER PARTNERSHIP EXPENSES	4,500.
PROPERTY MGMT FEE	37,301.
WAGE REIMBURSEMENT	99,740.
GROUND LEASE EXPENSE	1,000.
AMORTIZATION	23,797.
TOTAL TO RENTAL SCHEDULE, LINE 15	194,827.

## GROSS RENTAL INCOME

STATEMENT

9

## MULTI-FAMILY RESIDENCE

PROPERTY: SIERRA MEADOWS

LOCATION: BELTWAY 8 &amp; EAST OF WILSON ROAD, HOUSTON, TX 77396

## DESCRIPTION

AMOUNT

GROSS RENTAL INCOME	737,983.
OTHER REVENUE	17,970.
TOTAL TO RENTAL SCHEDULE, LINE 2	755,953.

## SCHEDULE M-3

## OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES

STATEMENT

10

DESCRIPTION	INCOME (LOSS) PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	INCOME (LOSS) PER TAX RETURN
RENTAL INCOME FROM SIERRA MEADOWS	984,691.	-228,738.	0.	755,953.
TOTAL TO M-3, PART II, LINE 22	984,691.	-228,738.	0.	755,953.

SCHEDULE M-3	OTHER INCOME (LOSS) AND EXPENSE / DEDUCTION	STATEMENT	11
	ITEMS WITH NO DIFFERENCES		

DESCRIPTION	PER INCOME STATEMENT	PER TAX RETURN
OTHER EXPENSE / DEDUCTION - SEE STATEMENT	-398,643.	-398,643.
TOTAL TO SCHEDULE M-3, PART II, LINE 25	-398,643.	-398,643.

SCHEDULE M-3	OTHER EXPENSE/DEDUCTION ITEMS WITH NO DIFFERENCES	STATEMENT 12
--------------	--	--------------

DESCRIPTION	EXPENSE/ DEDUCTION PER INCOME STATEMENT	EXPENSE/ DEDUCTION PER TAX RETURN
RENTAL EXPENSES FROM SIERRA MEADOWS	398,643.	398,643.
TOTAL TO SCHEDULE M-3, PART II, LINE 25	398,643.	398,643.

FORM 8916-A OTHER INTEREST INCOME STATEMENT 13

DESCRIPTION	PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	PER TAX RETURN
INTEREST INCOME	98.	0.	0.	98.
TOTAL TO PART II, LINE 5	98.	0.	0.	98.

FORM 8916-A OTHER INTEREST EXPENSE STATEMENT 14

DESCRIPTION	PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	PER TAX RETURN
INTEREST EXPENSE FROM SIERRA MEADOWS	148,906.	0.	0.	148,906.
TOTAL TO PART III, LINE 4	148,906.	0.	0.	148,906.

Schedule K-1  
(Form 1065)

2013

☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

Department of the Treasury  
Internal Revenue Service

For calendar year 2013, or tax

year beginning

ending

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

▶ See separate instructions.

<b>Part I Information About the Partnership</b>													
<b>A</b> Partnership's employer identification number 27-0941166													
<b>B</b> Partnership's name, address, city, state, and ZIP code  SIERRA MEADOWS, LTD, 8410 LANTERN POINT DR HOUSTON, TX 77054													
<b>C</b> IRS Center where partnership filed return E-FILE													
<b>D</b> <input type="checkbox"/> Check if this is a publicly traded partnership (PTP)													
<b>Part II Information About the Partner</b>													
<b>E</b> Partner's identifying number 27-0941093													
<b>F</b> Partner's name, address, city, state, and ZIP code  HCHA SIERRA MEADOWS, LLC 8933 INTERCHANGE DRIVE HOUSTON, TX 77054													
<b>G</b> <input checked="" type="checkbox"/> General partner or LLC member-manager <input type="checkbox"/> Limited partner or other LLC member													
<b>H</b> <input checked="" type="checkbox"/> Domestic partner <input type="checkbox"/> Foreign partner													
<b>I1</b> What type of entity is this partner? LIM. LIAB. COMP.													
<b>I2</b> If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here <input type="checkbox"/>													
<b>J</b> Partner's share of profit, loss, and capital:													
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 35%; text-align: center;">Beginning</th> <th style="width: 35%; text-align: center;">Ending</th> </tr> </thead> <tbody> <tr> <td>Profit</td> <td style="text-align: center;">0.0100000%</td> <td style="text-align: center;">0.0100000%</td> </tr> <tr> <td>Loss</td> <td style="text-align: center;">0.0100000%</td> <td style="text-align: center;">0.0100000%</td> </tr> <tr> <td>Capital</td> <td style="text-align: center;">0.0100000%</td> <td style="text-align: center;">0.0100000%</td> </tr> </tbody> </table>		Beginning	Ending	Profit	0.0100000%	0.0100000%	Loss	0.0100000%	0.0100000%	Capital	0.0100000%	0.0100000%	
	Beginning	Ending											
Profit	0.0100000%	0.0100000%											
Loss	0.0100000%	0.0100000%											
Capital	0.0100000%	0.0100000%											
<b>K</b> Partner's share of liabilities at year end:													
Nonrecourse .....	\$												
Qualified nonrecourse financing .....	\$ 1,097.												
Recourse .....	\$ 37,514.												
<b>L</b> Partner's capital account analysis:													
Beginning capital account .....	\$ 799.												
Capital contributed during the year .....	\$												
Current year increase (decrease) .....	\$ -38.												
Withdrawals & distributions .....	\$(												
Ending capital account .....	\$ 761.												
<input checked="" type="checkbox"/> Tax basis <input type="checkbox"/> GAAP <input type="checkbox"/> Section 704(b) book <input type="checkbox"/> Other (explain)													
<b>M</b> Did the partner contribute property with a built-in gain or loss?													
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No													
If "Yes", attach statement (see instructions)													

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

<b>1</b> Ordinary business income (loss) 0.	<b>15</b> Credits
<b>2</b> Net rental real estate income (loss) -38.	<b>16</b> Foreign transactions
<b>3</b> Other net rental income (loss)	<b>17</b> Alternative min tax (AMT) items
<b>4</b> Guaranteed payments	<b>18</b> Tax-exempt income and nondeductible expenses
<b>5</b> Interest income	<b>19</b> Distributions
<b>6a</b> Ordinary dividends	<b>20</b> Other information
<b>6b</b> Qualified dividends	
<b>7</b> Royalties	
<b>8</b> Net short-term capital gain (loss)	
<b>9a</b> Net long-term capital gain (loss)	
<b>9b</b> Collectibles (28%) gain (loss)	
<b>9c</b> Unrecaptured sec 1250 gain	
<b>10</b> Net section 1231 gain (loss)	
<b>11</b> Other income (loss)	
<b>12</b> Section 179 deduction	
<b>13</b> Other deductions	
<b>14</b> Self-employment earnings (loss)	

\*See attached statement for additional information.

For IRS Use Only

## SCHEDULE K-1

## CURRENT YEAR INCREASES (DECREASES)

DESCRIPTION	AMOUNT	TOTALS
RENTAL REAL ESTATE INCOME (LOSS)	-38.	
SCHEDULE K-1 INCOME SUBTOTAL		-38.
NET INCOME (LOSS) PER SCHEDULE K-1		-38.
AMORTIZATION ON RETURN AND NOT ON BOOKS	2.	
DEPRECIATION ON RETURN AND NOT ON BOOKS	16.	
CONVERSION OF BOOK TO TAX LOSSES	-41.	
RENTAL INCOME FROM SIERRA MEADOWS	23.	
OTHER INCREASES OR DECREASES SUBTOTAL		0.
TOTAL TO SCHEDULE K-1, ITEM L		-38.

Schedule K-1  
(Form 1065)

2013

☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

Department of the Treasury  
Internal Revenue Service

For calendar year 2013, or tax

year beginning

ending

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

▶ See separate instructions.

<b>Part I Information About the Partnership</b>													
<b>A</b> Partnership's employer identification number 27-0941166													
<b>B</b> Partnership's name, address, city, state, and ZIP code  SIERRA MEADOWS, LTD, 8410 LANTERN POINT DR HOUSTON, TX 77054													
<b>C</b> IRS Center where partnership filed return E-FILE													
<b>D</b> <input type="checkbox"/> Check if this is a publicly traded partnership (PTP)													
<b>Part II Information About the Partner</b>													
<b>E</b> Partner's identifying number 45-1585325													
<b>F</b> Partner's name, address, city, state, and ZIP code  SIERRA MEADOWS INVESTORS, LLC 3110 WEST SOUTHLAKE BLVD. SUITE 120 SOUTHLAKE, TX 76092													
<b>G</b> <input type="checkbox"/> General partner or LLC member-manager <input checked="" type="checkbox"/> Limited partner or other LLC member													
<b>H</b> <input checked="" type="checkbox"/> Domestic partner <input type="checkbox"/> Foreign partner													
<b>I</b> What type of entity is this partner? LIM. LIAB. COMP.													
<b>J</b> If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here <input type="checkbox"/>													
<b>J</b> Partner's share of profit, loss, and capital:													
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 40%; text-align: center;">Beginning</th> <th style="width: 40%; text-align: center;">Ending</th> </tr> </thead> <tbody> <tr> <td>Profit</td> <td style="text-align: center;">98.9800000%</td> <td style="text-align: center;">98.9800000%</td> </tr> <tr> <td>Loss</td> <td style="text-align: center;">98.9800000%</td> <td style="text-align: center;">98.9800000%</td> </tr> <tr> <td>Capital</td> <td style="text-align: center;">98.9800000%</td> <td style="text-align: center;">98.9800000%</td> </tr> </tbody> </table>		Beginning	Ending	Profit	98.9800000%	98.9800000%	Loss	98.9800000%	98.9800000%	Capital	98.9800000%	98.9800000%	
	Beginning	Ending											
Profit	98.9800000%	98.9800000%											
Loss	98.9800000%	98.9800000%											
Capital	98.9800000%	98.9800000%											
<b>K</b> Partner's share of liabilities at year end:													
Nonrecourse .....	\$												
Qualified nonrecourse financing .....	\$ 10,855,158.												
Recourse .....	\$ 0.												
<b>L</b> Partner's capital account analysis:													
Beginning capital account .....	\$ 7,905,087.												
Capital contributed during the year .....	\$												
Current year increase (decrease) .....	\$ -376,886.												
Withdrawals & distributions .....	\$( )												
Ending capital account .....	\$ 7,528,201.												
<input checked="" type="checkbox"/> Tax basis <input type="checkbox"/> GAAP <input type="checkbox"/> Section 704(b) book <input type="checkbox"/> Other (explain)													
<b>M</b> Did the partner contribute property with a built-in gain or loss?													
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No													
If "Yes", attach statement (see instructions)													

<b>Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items</b>	
<b>1</b> Ordinary business income (loss) 0.	<b>15</b> Credits
<b>2</b> Net rental real estate income (loss) -376,983.	<b>16</b> Foreign transactions
<b>3</b> Other net rental income (loss)	
<b>4</b> Guaranteed payments	
<b>5</b> Interest income 97.	
<b>6a</b> Ordinary dividends	
<b>6b</b> Qualified dividends	<b>A</b> <b>17</b> Alternative min tax (AMT) items 3,224.
<b>7</b> Royalties	
<b>8</b> Net short-term capital gain (loss)	<b>18</b> Tax-exempt income and nondeductible expenses
<b>9a</b> Net long-term capital gain (loss)	
<b>9b</b> Collectibles (28%) gain (loss)	<b>19</b> Distributions
<b>9c</b> Unrecaptured sec 1250 gain	
<b>10</b> Net section 1231 gain (loss)	<b>A</b> <b>20</b> Other information 97.
<b>11</b> Other income (loss)	
<b>12</b> Section 179 deduction	
<b>13</b> Other deductions	
<b>14</b> Self-employment earnings (loss)	
*See attached statement for additional information.	

For IRS Use Only

## SCHEDULE K-1

## CURRENT YEAR INCREASES (DECREASES)

DESCRIPTION	AMOUNT	TOTALS
RENTAL REAL ESTATE INCOME (LOSS)	-376,983.	
INTEREST INCOME	97.	
SCHEDULE K-1 INCOME SUBTOTAL		-376,886.
NET INCOME (LOSS) PER SCHEDULE K-1		-376,886.
AMORTIZATION ON RETURN AND NOT ON BOOKS	21,844.	
DEPRECIATION ON RETURN AND NOT ON BOOKS	155,966.	
CONVERSION OF BOOK TO TAX LOSSES	-404,215.	
RENTAL INCOME FROM SIERRA MEADOWS	226,405.	
OTHER INCREASES OR DECREASES SUBTOTAL		0.
TOTAL TO SCHEDULE K-1, ITEM L		-376,886.

## SCHEDULE K-1

## FOOTNOTES

SIERRA MEADOWS INVESTORS, LLC  
FEIN: 45-1585325  
ATTACHMENT TO SCHEDULE K-1

PURSUANT TO TREASURY REGULATION SECTION 1.263A-14 AND IRS  
NOTICE 88-99, YOUR ALLOCABLE SHARE OF INTEREST EXPENSE  
INCLUDED IN COMPUTING YOUR SCHEDULE K-1, LINE 2 LOSS IS:

147,387.

THIS INTEREST EXPENSE MAY OR MAY NOT BE DEDUCTIBLE BY YOU  
DEPENDING ON WHETHER YOU ARE ENGAGED IN REAL ESTATE  
DEVELOPMENT AND/OR OTHER PRODUCTION ACTIVITIES AND HAVE  
PRODUCTION EXPENDITURES FROM THESE ACTIVITIES THAT COULD  
REQUIRE AN INTEREST EXPENSE CAPITALIZATION REQUIREMENT.

PLEASE CONSULT WITH YOUR INCOME TAX ADVISOR

Schedule K-1  
(Form 1065)

2013

☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

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

▶ See separate instructions.

<b>Part I Information About the Partnership</b>		<b>Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items</b>													
<b>A</b> Partnership's employer identification number <b>27-0941166</b>	<b>1</b> Ordinary business income (loss) <div style="text-align: right;">0.</div>	<b>15</b> Credits													
<b>B</b> Partnership's name, address, city, state, and ZIP code  <b>SIERRA MEADOWS, LTD, 8410 LANTERN POINT DR HOUSTON, TX 77054</b>	<b>2</b> Net rental real estate income (loss) <div style="text-align: right;">- 3,809.</div>	<b>16</b> Foreign transactions													
<b>C</b> IRS Center where partnership filed return <b>E-FILE</b>	<b>3</b> Other net rental income (loss)	<b>17</b> Alternative min tax (AMT) items													
<b>D</b> <input type="checkbox"/> Check if this is a publicly traded partnership (PTP)	<b>4</b> Guaranteed payments	<b>18</b> Tax-exempt income and nondeductible expenses													
<b>Part II Information About the Partner</b>	<b>5</b> Interest income <div style="text-align: right;">1.</div>	<b>19</b> Distributions													
<b>E</b> Partner's identifying number <b>65-1176352</b>	<b>6a</b> Ordinary dividends	<b>20</b> Other information													
<b>F</b> Partner's name, address, city, state, and ZIP code  <b>HARRIS COUNTY HOUSING AUTHORITY 8933 INTERCHANGE DRIVE HOUSTON, TX 77054</b>	<b>6b</b> Qualified dividends <div style="text-align: right;">A 33.</div>	<div style="text-align: right;">1.</div>													
<b>G</b> <input type="checkbox"/> General partner or LLC member-manager <input checked="" type="checkbox"/> Limited partner or other LLC member	<b>7</b> Royalties														
<b>H</b> <input checked="" type="checkbox"/> Domestic partner <input type="checkbox"/> Foreign partner	<b>8</b> Net short-term capital gain (loss)														
<b>I1</b> What type of entity is this partner? <b>EXEMPT ORGANIZATION</b>	<b>9a</b> Net long-term capital gain (loss)														
<b>I2</b> If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here <input type="checkbox"/>	<b>9b</b> Collectibles (28%) gain (loss)														
<b>J</b> Partner's share of profit, loss, and capital:	<b>9c</b> Unrecaptured sec 1250 gain														
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Beginning</th> <th style="text-align: center;">Ending</th> </tr> </thead> <tbody> <tr> <td>Profit</td> <td style="text-align: right;">1.0000000%</td> <td style="text-align: right;">1.0000000%</td> </tr> <tr> <td>Loss</td> <td style="text-align: right;">1.0000000%</td> <td style="text-align: right;">1.0000000%</td> </tr> <tr> <td>Capital</td> <td style="text-align: right;">1.0000000%</td> <td style="text-align: right;">1.0000000%</td> </tr> </tbody> </table>		Beginning	Ending	Profit	1.0000000%	1.0000000%	Loss	1.0000000%	1.0000000%	Capital	1.0000000%	1.0000000%	<b>10</b> Net section 1231 gain (loss)		
	Beginning	Ending													
Profit	1.0000000%	1.0000000%													
Loss	1.0000000%	1.0000000%													
Capital	1.0000000%	1.0000000%													
<b>K</b> Partner's share of liabilities at year end:	<b>11</b> Other income (loss)														
Nonrecourse ..... \$	<b>12</b> Section 179 deduction														
Qualified nonrecourse financing ..... \$	<b>13</b> Other deductions														
Recourse ..... \$	<b>14</b> Self-employment earnings (loss)														
<b>L</b> Partner's capital account analysis:	<div style="text-align: right;">*See attached statement for additional information.</div>														
Beginning capital account ..... \$															
Capital contributed during the year ..... \$															
Current year increase (decrease) ..... \$															
Withdrawals & distributions ..... \$(															
Ending capital account ..... \$															
<input checked="" type="checkbox"/> Tax basis <input type="checkbox"/> Other (explain)															
<input type="checkbox"/> GAAP <input type="checkbox"/> Section 704(b) book															
<b>M</b> Did the partner contribute property with a built-in gain or loss?															
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No															
If "Yes", attach statement (see instructions)															

For IRS Use Only

## SCHEDULE K-1

## CURRENT YEAR INCREASES (DECREASES)

DESCRIPTION	AMOUNT	TOTALS
RENTAL REAL ESTATE INCOME (LOSS)	-3,809.	
INTEREST INCOME	1.	
SCHEDULE K-1 INCOME SUBTOTAL		-3,808.
NET INCOME (LOSS) PER SCHEDULE K-1		-3,808.
AMORTIZATION ON RETURN AND NOT ON BOOKS	221.	
DEPRECIATION ON RETURN AND NOT ON BOOKS	1,575.	
CONVERSION OF BOOK TO TAX LOSSES	-4,083.	
RENTAL INCOME FROM SIERRA MEADOWS	2,287.	
OTHER INCREASES OR DECREASES SUBTOTAL		0.
TOTAL TO SCHEDULE K-1, ITEM L		-3,808.

Schedule K-1  
(Form 1065)

2013

☐ Final K-1☐ Amended K-1

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

▶ See separate instructions.

<b>Part I Information About the Partnership</b>		<b>Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items</b>																						
<b>A</b> Partnership's employer identification number <b>27-0941166</b>	<b>1</b> Ordinary business income (loss) <div style="text-align: right;">0.</div>	<b>15</b> Credits	<b>2</b> Net rental real estate income (loss) <div style="text-align: right;">- 38.</div>																					
<b>B</b> Partnership's name, address, city, state, and ZIP code  <b>SIERRA MEADOWS, LTD, 8410 LANTERN POINT DR HOUSTON, TX 77054</b>	<b>3</b> Other net rental income (loss)	<b>16</b> Foreign transactions	<b>4</b> Guaranteed payments																					
<b>C</b> IRS Center where partnership filed return <b>E-FILE</b>	<b>5</b> Interest income	<b>17</b> Alternative min tax (AMT) items	<b>6a</b> Ordinary dividends																					
<b>D</b> <input type="checkbox"/> Check if this is a publicly traded partnership (PTP)	<b>6b</b> Qualified dividends	<b>18</b> Tax-exempt income and nondeductible expenses	<b>7</b> Royalties																					
<b>Part II Information About the Partner</b>	<b>8</b> Net short-term capital gain (loss)	<b>9a</b> Net long-term capital gain (loss)	<b>9b</b> Collectibles (28%) gain (loss)																					
<b>E</b> Partner's identifying number <b>27-2357013</b>	<b>9c</b> Unrecaptured sec 1250 gain	<b>10</b> Net section 1231 gain (loss)	<b>11</b> Other income (loss)																					
<b>F</b> Partner's name, address, city, state, and ZIP code  <b>INTEGRATED SIERRA MEADOWS SLP, LLC 3110 WEST SOUTHLAKE BLVD. SUITE 120 SOUTHLAKE, TX 76092</b>	<b>G</b> <input type="checkbox"/> General partner or LLC member-manager <input checked="" type="checkbox"/> Limited partner or other LLC member	<b>12</b> Section 179 deduction	<b>13</b> Other deductions																					
<b>H</b> <input checked="" type="checkbox"/> Domestic partner <input type="checkbox"/> Foreign partner	<b>I1</b> What type of entity is this partner? <b>LIM. LIAB. COMP.</b>	<b>14</b> Self-employment earnings (loss)	<b>19</b> Distributions																					
<b>I2</b> If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here <input type="checkbox"/>	<b>J</b> Partner's share of profit, loss, and capital: <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Beginning</th> <th style="text-align: center;">Ending</th> </tr> </thead> <tbody> <tr> <td>Profit</td> <td style="text-align: right;">0.0100000%</td> <td style="text-align: right;">0.0100000%</td> </tr> <tr> <td>Loss</td> <td style="text-align: right;">0.0100000%</td> <td style="text-align: right;">0.0100000%</td> </tr> <tr> <td>Capital</td> <td style="text-align: right;">0.0100000%</td> <td style="text-align: right;">0.0100000%</td> </tr> </tbody> </table>		Beginning	Ending	Profit	0.0100000%	0.0100000%	Loss	0.0100000%	0.0100000%	Capital	0.0100000%	0.0100000%	<b>20</b> Other information	<b>K</b> Partner's share of liabilities at year end: <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>Nonrecourse</td> <td style="text-align: right;">\$</td> <td></td> </tr> <tr> <td>Qualified nonrecourse financing</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">1,097.</td> </tr> <tr> <td>Recourse</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">128,770.</td> </tr> </tbody> </table>	Nonrecourse	\$		Qualified nonrecourse financing	\$	1,097.	Recourse	\$	128,770.
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<b>L</b> Partner's capital account analysis: <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>Beginning capital account</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">799.</td> </tr> <tr> <td>Capital contributed during the year</td> <td style="text-align: right;">\$</td> <td></td> </tr> <tr> <td>Current year increase (decrease)</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">-38.</td> </tr> <tr> <td>Withdrawals &amp; distributions</td> <td style="text-align: right;">\$(</td> <td></td> </tr> <tr> <td>Ending capital account</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">761.</td> </tr> </tbody> </table>	Beginning capital account	\$	799.	Capital contributed during the year	\$		Current year increase (decrease)	\$	-38.	Withdrawals & distributions	\$(		Ending capital account	\$	761.	<b>M</b> Did the partner contribute property with a built-in gain or loss? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes", attach statement (see instructions)								
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For IRS Use Only

\*See attached statement for additional information.

## SCHEDULE K-1

## CURRENT YEAR INCREASES (DECREASES)

DESCRIPTION	AMOUNT	TOTALS
RENTAL REAL ESTATE INCOME (LOSS)	-38.	
SCHEDULE K-1 INCOME SUBTOTAL		-38.
NET INCOME (LOSS) PER SCHEDULE K-1		-38.
AMORTIZATION ON RETURN AND NOT ON BOOKS	2.	
DEPRECIATION ON RETURN AND NOT ON BOOKS	16.	
CONVERSION OF BOOK TO TAX LOSSES	-41.	
RENTAL INCOME FROM SIERRA MEADOWS	23.	
OTHER INCREASES OR DECREASES SUBTOTAL		0.
TOTAL TO SCHEDULE K-1, ITEM L		-38.