

MXD Proposal, Scenario 2-A:Phase 1: Hotel

Schedule O: Tax Liability on Residual Values

by participant

	Total	PROJECT	Developer	Public	Investor	Other	Lender	ADJUSTMENT
PARTNERSHIP BASIS BEFORE SALE								
Investment	15,014,052		7,958,052		7,056,000			
Costs Exp.During Const.								
Tax Losses	-6,783,098			-678,310	-6,104,789			
Cash Distributions	-5,977,993				-5,977,993			
Resulting Basis	2,252,960		7,958,052	-678,310	-5,026,781			
EFFECT ON BASIS OF SALE								
Proceeds of Sale (gross)	29,494,309	29,494,309						
Orig. Cost & Capital Replcmnt	-30,959,165	-30,959,165						
Costs Expensed During Const								
Non-Cash Charges	13,432,312	13,432,312						
Resulting Gain	11,967,456	11,967,456						
Dist.of Gain to Partners	11,967,456			1,196,746	10,770,710			
Resulting Basis	14,220,416		7,958,052	518,436	5,743,929			
Final Cash Distribution	-14,220,416		-7,164,416		-7,056,000			
Final Basis			793,635	518,436	-1,312,071			
Combined Capital Gain	11,967,456		-793,635	678,310	12,082,781			
Est. Tax Liability								
Add'l Tax for Acc. Dep.								