

Department of the Treasury
Internal Revenue Service

For calendar year 1997 or tax year beginning _____, 1997, ending _____, 19
▶ See separate instructions.

A Year of REIT status election	Name	C Employer identification number
B Check if a: 1 REIT with 100% owned subsidiaries (see page 5 of instructions) <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/>	Number, street, and room or suite no. (If a P.O. box, see page 5 of instructions.)	D Date REIT established
	City or town, state, and ZIP code	E Total assets (see page 5 of instructions)
F Check applicable box(es): (1) <input type="checkbox"/> Final return (2) <input type="checkbox"/> Change of address (3) <input type="checkbox"/> Amended return		\$

Part I—Real Estate Investment Trust Taxable Income (See page 5 of instructions.)

Income (EXCLUDING income required to be reported in Part II or Part IV)		
1 Dividends		1
2 Interest		2
3 Gross rents from real property		3
4 Other gross rents		4
5 Capital gain net income (attach Schedule D (Form 1120))		5
6 Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)		6
7 Other income (see page 6 of instructions—attach schedule)		7
8 Total income. Add lines 1 through 7. ▶		8

Deductions (EXCLUDING deductions directly connected with income required to be reported in Part II or Part IV)		
9 Compensation of officers		9
10 Salaries and wages (less employment credits)		10
11 Repairs and maintenance		11
12 Bad debts		12
13 Rents		13
14 Taxes and licenses		14
15 Interest		15
16 Depreciation (attach Form 4562)		16
17 Advertising		17
18 Other deductions (see page 7 of instructions—attach schedule)		18
19 Total deductions. Add lines 9 through 18. ▶		19
20 Taxable income before net operating loss deduction, total deduction for dividends paid, and section 857(b)(2)(E) deduction. Subtract line 19 from line 8		20
21 Less: a Net operating loss deduction (see page 8 of instructions) 21a		
b Total deduction for dividends paid (Schedule A, line 6) 21b		
c Section 857(b)(2)(E) deduction (Schedule J, line 3c) 21c		
		21d

Tax and Payments

22 Real estate investment trust taxable income. Subtract line 21d from line 20		22
23 Total tax (Schedule J, line 9)		23
24 Payments: a 1996 overpayment credited to 1997 24a		
b 1997 estimated tax payments 24b		
c Less 1997 refund applied for on Form 4466 24c () d Bal ▶ 24d		
e Tax deposited with Form 7004 24e		
f Credit for tax paid on undistributed capital gains (attach Form 2439) 24f		
g Credit for Federal tax paid on fuels (attach Form 4136) 24g		24h
25 Estimated tax penalty (see page 8 of instructions). Check if Form 2220 is attached. ▶ <input type="checkbox"/>		25
26 Tax due. If line 24h is smaller than the total of lines 23 and 25, enter amount owed.		26
27 Overpayment. If line 24h is larger than the total of lines 23 and 25, enter amount overpaid.		27
28 Enter amount of line 27 you want: Credited to 1998 estimated tax ▶ Refunded ▶ 28		

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

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's social security number
	Firm's name (or yours if self-employed) and address	EIN ▶	ZIP code ▶	

Part II—Tax on Net Income From Foreclosure Property (As defined in section 856(e))

Important: See page 9 of instructions before completing this part.

1	Net gain or (loss) from the sale or other disposition of foreclosure property described in section 1221(1) (attach schedule)	1		
2	Gross income from foreclosure property (see instructions—attach schedule)	2		
3	Total income from foreclosure property. Add lines 1 and 2	3		
4	Deductions directly connected with the production of income shown on line 3 (attach schedule)	4		
5	Net income from foreclosure property. Subtract line 4 from line 3	5		
6	Tax on net income from foreclosure property. Multiply line 5 by 35%. Enter here and on Schedule J, line 3b	6		

Part III—Tax for Failure To Meet Certain Source-of-Income Requirements (Section 857(b)(5))

Important: See page 9 of instructions.

1a	Enter total income from Part I, line 8.	1a			
b	Enter total income from foreclosure property from Part II, line 3.	1b			
c	Total. Add lines 1a and 1b	1c			
2	Multiply line 1c by 95%	2			
3	Enter income on line 1c from sources referred to in section 856(c)(2)	3			
4	Subtract line 3 from line 2. (If zero or less, enter -0-.)	4			
5	Multiply line 1c by 75%	5			
6	Enter income on line 1c from sources referred to in section 856(c)(3)	6			
7	Subtract line 6 from line 5. (If zero or less, enter -0-.)	7			
8	Enter the greater of line 4 or line 7. (If line 8 is zero, do not complete the rest of Part III.)	8			
9	Enter the amount from Part I, line 20	9			
10	Enter the net capital gain from Schedule D (Form 1120), line 12	10			
11	Subtract line 10 from line 9.	11			
12a	Enter total income from Part I, line 8.	12a			
b	Enter the net short-term capital gain from Schedule D (Form 1120), line 5. (If line 5 is a loss, enter -0-.)	12b			
c	Add lines 12a and 12b	12c			
13	Enter capital gain net income from Part I, line 5	13			
14	Subtract line 13 from line 12c	14			
15	Divide line 11 by line 14. Carry the result to five decimal places	15			
16	Section 857(b)(5) tax. Multiply line 8 by line 15. Enter here and on Schedule J, line 3c.	16			

Part IV—Tax on Net Income From Prohibited Transactions (See page 9 of instructions.)

1	Gain from sale or other disposition of section 1221(1) property (other than foreclosure property)	1		
2	Deductions directly connected with the production of income shown on line 1.	2		
3	Net income from prohibited transactions. Subtract line 2 from line 1	3		
4	Tax on net income from prohibited transactions. Multiply line 3 by 100%. Enter here and on Schedule J, line 3d	4		

Schedule A Deduction for Dividends Paid (See page 9 of instructions.)

1	Dividends paid (other than dividends paid after the end of the tax year). Do not include dividends considered paid in the preceding tax year under section 857(b)(8) or 858(a), or deficiency dividends as defined in section 860	1		
2	Dividends paid in the 12-month period following the close of the tax year under a section 858(a) election to treat the dividends as paid during the tax year	2		
3	Dividends declared in October, November, or December deemed paid on December 31 under section 857(b)(8).	3		
4	Consent dividends (attach Forms 972 and 973)	4		
5	Total dividends paid. Add lines 1 through 4	5		
6	Total deduction for dividends paid. If there is net income from foreclosure property on Part II, line 5, see instructions for limitation on the deduction for dividends paid. Otherwise, enter total dividends paid from line 5 here and on line 21b, page 1	6		

Schedule J Tax Computation (See page 9 of instructions.)

<p>1 Check if the REIT is a member of a controlled group (see sections 1561 and 1563) . . . <input type="checkbox"/></p> <p>Important: Members of a controlled group, see instructions on page 9.</p> <p>2a If the box on line 1 is checked, enter the REIT's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____</p> <p>b Enter the REIT's share of: (1) additional 5% tax (not more than \$11,750) \$ _____ (2) additional 3% tax (not more than \$100,000) \$ _____</p> <p>3a Tax on REIT taxable income 3a _____</p> <p>b Tax from Part II, line 6 3b _____</p> <p>c Tax from Part III, line 16 3c _____</p> <p>d Tax from Part IV, line 4 3d _____</p> <p>e Income tax. Add lines 3a through 3d 3e _____</p> <p>4a Foreign tax credit (attach Form 1118) 4a _____</p> <p>b <input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> QEV credit (attach Form 8834) 4b _____</p> <p>c General business credit. Enter here and check which forms are attached: <input type="checkbox"/> 3800 <input type="checkbox"/> 3468 <input type="checkbox"/> 5884 <input type="checkbox"/> 6478 <input type="checkbox"/> 6765 <input type="checkbox"/> 8586 <input type="checkbox"/> 8830 <input type="checkbox"/> 8826 <input type="checkbox"/> 8835 <input type="checkbox"/> 8844 <input type="checkbox"/> 8845 <input type="checkbox"/> 8846 <input type="checkbox"/> 8820 <input type="checkbox"/> 8847 <input type="checkbox"/> 8861 4c _____</p> <p>d Credit for prior year minimum tax (attach Form 8827) 4d _____</p> <p>e Total credits. Add lines 4a through 4d 4e _____</p> <p>5 Subtract line 4e from line 3e 5 _____</p> <p>6 Personal holding company tax (attach Schedule PH (Form 1120)) 6 _____</p> <p>7 Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 7 _____</p> <p>8 Alternative minimum tax (attach Form 4626) 8 _____</p> <p>9 Total tax. Add lines 5 through 8. Enter here and on line 23, page 1 9 _____</p>	
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Schedule K Other Information (See page 11 of instructions.)

		Yes	No			Yes	No
<p>1 Check method of accounting: a <input type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____</p> <p>2 At the end of the tax year, did the REIT own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c.) If "Yes," attach a schedule showing: (a) name and identifying number, (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.</p> <p>3 Is the REIT a subsidiary in a parent-subsidiary controlled group? If "Yes," enter the employer identification number and name of the parent corporation ▶ _____</p> <p>4 At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the REIT's voting stock? (For rules of attribution, see section 267(c.) If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 3 above.) Enter percentage owned ▶ _____</p> <p>5 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of: (a) the total voting power of all classes of stock of the REIT entitled to vote, or (b) the total value of all classes of stock of the REIT? If "Yes," a Enter percentage owned ▶ _____ b Enter owner's country ▶ _____ c The REIT may have to file Form 5472. Enter number of Forms 5472 attached ▶ _____</p>				<p>6 Was the REIT a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) If "Yes," attach Form 5471 for each such corporation. Enter number of Forms 5471 attached ▶ _____</p> <p>7 At any time during the 1997 calendar year, did the REIT have an interest in or a signature or other authority over a financial account (such as bank account, securities account, or other financial account) in a foreign country? If "Yes," the REIT may have to file Form TD F 90-22.1. If "Yes," enter name of the foreign country ▶ _____</p> <p>8 During the tax year, did the REIT receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see page 12 of the instructions for other forms the REIT may have to file</p> <p>9 During this tax year, did the REIT pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the REIT's current and accumulated earnings and profits? (See sections 301 and 316.) If "Yes," file Form 5452.</p> <p>10 Check this box if the REIT issued publicly offered debt instruments with original issue discount . . . <input type="checkbox"/> If so, the REIT may have to file Form 8281.</p> <p>11 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____</p> <p>12 Enter the available NOL carryover from prior tax years. (Do not reduce it by any deduction on line 21a.) ▶ \$ _____</p>			

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts	()		()	
3 U.S. government obligations				
4 Tax-exempt securities (see page 12 of instructions)				
5 Other current assets (attach schedule)				
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9a Buildings and other depreciable assets				
b Less accumulated depreciation	()		()	
10 Land (net of any amortization)				
11a Intangible assets (amortizable only)				
b Less accumulated amortization	()		()	
12 Other assets (attach schedule)				
13 Total assets				
Liabilities and Stockholders' Equity				
14 Accounts payable				
15 Mortgages, notes, bonds payable in less than 1 year				
16 Other current liabilities (attach schedule)				
17 Loans from stockholders				
18 Mortgages, notes, bonds payable in 1 year or more				
19 Other liabilities (attach schedule)				
20 Capital stock: a Preferred stock				
b Common stock				
21 Additional paid-in capital				
22 Retained earnings—Appropriated (attach schedule)				
23 Retained earnings—Unappropriated				
24 Adjustments to shareholders' equity (attach schedule)				
25 Less cost of treasury stock		()		()
26 Total liabilities and stockholders' equity				

Note: Schedules M-1 and M-2 do not have to be completed if total assets on Schedule L, line 13, column (d) are less than \$25,000.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return		
1 Net income (loss) per books		7 Income recorded on books this year not included on this return (itemize):
2a Federal income tax (Schedule J, line 9) . . \$		Tax-exempt interest \$
b Less: Section 857(b)(5) tax \$ ()	
c Balance ▶		8 Deductions on this return not charged against book income this year (itemize):
3 Excess of capital losses over capital gains		a Depreciation . . \$
4 Income subject to tax not recorded on books this year (itemize):		b Net operating loss deduction (line 21a, page 1) . \$
5 Expenses recorded on books this year not deducted on this return (itemize):		c Deduction for dividends paid (line 21b, page 1) . \$
a Depreciation . . . \$
b Section 4981 tax . . \$		9 Net income from foreclosure property
c Travel and entertainment \$		10 Net income from prohibited transactions
6 Add lines 1 through 5		11 Add lines 7 through 10
		12 REIT taxable income (line 22, page 1)— line 6 less line 11

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (line 23, Schedule L)		
1 Balance at beginning of year		5 Distributions: a Cash
2 Net income (loss) per books		b Stock
3 Other increases (itemize):		c Property
.....		6 Other decreases (itemize):
.....		7 Add lines 5 and 6
4 Add lines 1, 2, and 3		8 Balance at end of year (line 4 less line 7)

