

U.S. Income Tax Return for Real Estate Investment Trusts

2001

Department of the Treasury Internal Revenue Service

For calendar year 2001 or tax year beginning, 2001, ending, 20
Instructions are separate. See page 15 for Paperwork Reduction Act Notice.

Form header section with fields for: A Year of REIT status election, B Check if a: 1 REIT with 100% owned subsidiaries, 2 Personal holding co., C Employer identification number, D Date REIT established, E Total assets, F Check applicable box(es): (1) Final return, (2) Name change, (3) Address change, (4) Amended return

Part I—Real Estate Investment Trust Taxable Income (See page 7 of instructions.)

Income (EXCLUDING income required to be reported in Part II or Part IV)

Table with 8 rows for income items: 1 Dividends, 2 Interest, 3 Gross rents from real property, 4 Other gross rents, 5 Capital gain net income, 6 Net gain or (loss) from Form 4797, 7 Other income, 8 Total income.

Deductions (EXCLUDING deductions directly connected with income required to be reported in Part II or Part IV)

Table with 21 rows for deductions: 9 Compensation of officers, 10 Salaries and wages, 11 Repairs and maintenance, 12 Bad debts, 13 Rents, 14 Taxes and licenses, 15 Interest, 16 Depreciation, 17 Advertising, 18 Other deductions, 19 Total deductions, 20 Taxable income before net operating loss deduction, 21 Less: a Net operating loss deduction, b Total deduction for dividends paid, c Section 857(b)(2)(E) deduction.

Tax and Payments

Table with 8 rows for tax and payments: 22 Real estate investment trust taxable income, 23 Total tax, 24 Payments: a 2000 overpayment, b 2001 estimated tax payments, c Less 2001 refund, e Tax deposited, f Credit for tax paid, g Credit for Federal tax paid, 25 Estimated tax penalty, 26 Tax due, 27 Overpayment, 28 Enter amount of line 27 you want.

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

Signature section with fields for Sign Here, Signature of officer, Date, Title, and a box for May the IRS discuss this return with the preparer shown below.

Preparer's Use Only section with fields for Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN, Firm's name, address, and ZIP code, EIN, and Phone no.

Part II—Tax on Net Income From Foreclosure Property (Section 856(e)) (See page 11 of instructions.)

1	Net gain or (loss) from the sale or other disposition of foreclosure property described in section 1221(a)(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))
(See page 11 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 90%	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 13	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 11 of instructions.)

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

Schedule A Deduction for Dividends Paid (See page 11 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)(9) 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)(9)	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 11 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 11.</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):</p> <p>(1) \$ _____ (2) \$ _____ (3) \$ _____</p>			
<p>b Enter the REIT's share of:</p> <p>(1) additional 5% tax (not more than \$11,750) \$ _____</p> <p>(2) additional 3% tax (not more than \$100,000) \$ _____</p>			
3a Tax on REIT taxable income		3a	
b Tax from Part II, line 6		3b	
c Tax from Part III, line 16		3c	
d Tax from Part IV, line 3		3d	
e Tax under section 857(b)(7)(A) (see page 12 of instructions)		3e	
f Alternative minimum tax (attach Form 4626)		3f	
g Income tax. Add lines 3a through 3f			3g
4a Foreign tax credit (attach Form 1118)		4a	
b Check:			
<input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> QEV credit (attach Form 8834)		4b	
c General business credit. Check box(es) and indicate which forms are attached:			
<input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) ▶ _____		4c	
d Credit for prior year minimum tax (attach Form 8827)		4d	
e Total credits. Add lines 4a through 4d			4e
5 Subtract line 4e from line 3g		5	
6 Personal holding company tax (attach Schedule PH (Form 1120))		6	
7 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Other (attach schedule)		7	
8 Total tax. Add lines 5 through 7. Enter here and on line 23, page 1		8	

Schedule K Other Information (See page 14 of instructions.)

	Yes	No		Yes	No
1 Check method of accounting:			5 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of:		
a <input type="checkbox"/> Cash			(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," enter:		
b <input type="checkbox"/> Accrual			a Percentage owned ▶ _____		
c <input type="checkbox"/> Other (specify) ▶ _____			b Owner's country ▶ _____		
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).)			c The REIT may have to file Form 5472. Enter number of Forms 5472 attached ▶ _____		
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.			6 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.)		
3 Is the REIT a subsidiary in a parent-subsidiary controlled group?			If "Yes," file Form 5452.		
If "Yes," enter the employer identification number and name of the parent corporation ▶ _____			7 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.		
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 856(h).)			8 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____		
If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 3 above.) Enter percentage owned ▶ _____			9 Enter the available NOL carryover from prior tax years. (Do not reduce it by any deduction on line 21a.) ▶ \$ _____		

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120), Foreign Operations of U.S. Corporations**, to this return. See Schedule N for details.

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 15 of instructions)				
5	Other current assets (attach schedule)				
6	Loans to shareholders				
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 Shareholders' Equity					
14	Accounts payable				
15	Mortgages, notes, bonds payable in less than 1 year				
16	Other current liabilities (attach schedule)				
17	Loans from shareholders				
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 shareholders' 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 (See page 15 of instructions.)			
1	Net income (loss) per books		
2a	Federal income tax \$		
b	Less: Section 857(b)(5) tax, section 857(b)(7) tax, and built-in gains tax \$ (.)		
c	Balance		
3	Excess of capital losses over capital gains		
4	Income subject to tax not recorded on books this year (itemize):		
5	Expenses recorded on books this year not deducted on this return (itemize):		
a	Depreciation . . . \$		
b	Section 4981 tax . . . \$		
c	Travel and entertainment \$		
6	Add lines 1 through 5		
7	Income recorded on books this year not included on this return (itemize):		
	Tax-exempt interest \$		
8	Deductions on this return not charged against book income this year (itemize):		
a	Depreciation . . . \$		
b	Net operating loss deduction (line 21a, page 1) \$		
c	Deduction for dividends paid (line 21b, page 1) \$		
9	Net income from foreclosure property		
10	Net income from prohibited transactions		
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		
2	Net income (loss) per books		
3	Other increases (itemize):		
4	Add lines 1, 2, and 3		
5	Distributions: a Cash		
	b Stock		
	c Property		
6	Other decreases (itemize):		
7	Add lines 5 and 6		
8	Balance at end of year (line 4 less line 7)		

