

Skyway Gardens Apartments
 515 West Grace St
 Richmond, VA 23220

Tom Jones
 VPI, LLC
 555-5555

TAX REPORT

Years to Depreciate Property:	27.5
Land's % of Value	20.00%
Income Tax Bracket %	30.00%
Capital Gains %	20.00%

Designation for Handling Passive Losses:	Passive Participant
Maximum Annual Write-off vs. Non-Passive Income	-

Year (End)	0 12/5/2009	1 12/5/2010	2 12/5/2011	3 12/5/2012	4 12/5/2013	5 12/5/2014	6 12/5/2015
Pre-Tax Cashflow		26,768	29,943	33,213	36,582	40,052	43,625
Depreciable Basis (Original)	960,000	926,545	891,636	856,727	821,818	786,909	752,000
Depreciable Basis (Cap Improvements)		-	-	-	-	-	-
Depreciation (Original)		33,455	34,909	34,909	34,909	34,909	34,909
Depreciation (Cap Improvements)		-	-	-	-	-	-
Cumulative Depreciation		33,455	68,364	103,273	138,182	173,091	208,000
Taxable Income (before Write-Offs)		1,236	3,530	7,415	11,442	15,617	19,948
Amount written off against Income this year		-	-	-	-	-	-
Losses Carried Over		-	-	-	-	-	-
Cumulative Losses Carried Over		-	-	-	-	-	-
Losses Previously Carried Over used to Offset This Year's Income		-	-	-	-	-	-
Taxable Income (Loss) (After Write-offs)		1,236	3,530	7,415	11,442	15,617	19,948
Income Taxes (Credits)		371	1,059	2,224	3,433	4,685	5,985
Projected Sale Price							
Adjusted Basis	1,200,000	#####	1,131,636	1,096,727	1,061,818	1,026,909	992,000
Projected Cost of Sale							
Projected Gain on Sale (before write-offs)							
Accumulated Passive Losses							
Projected Gain on Sale (after write-offs)							
Capital Gains Taxes							
Total Taxes (Credits)		371	1,059	2,224	3,433	4,685	5,985

Remaining Accumulated Losses to be carried over to other properties

Year (End)	7 12/5/2016	8 12/5/2017	9 12/5/2018	10 12/5/2019	11 12/5/2020	12 12/5/2021
Pre-Tax Cashflow	47,306	51,098	55,003	59,025	63,168	67,435
Depreciable Basis (Original)	717,091	682,182	647,273	612,364	577,455	542,545
Depreciable Basis (Cap Improvements)		-	-	-	-	-
Depreciation (Original)	34,909	34,909	34,909	34,909	34,909	34,909
Depreciation (Cap Improvements)		-	-	-	-	-
Cumulative Depreciation	208,000	208,000	208,000	208,000	208,000	208,000
Taxable Income (before Write-Offs)	24,441	29,103	33,942	38,965	44,182	49,600
Amount written off against Income this year		-	-	-	-	-
Losses Carried Over		-	-	-	-	-
Cumulative Losses Carried Over		-	-	-	-	-
Losses Previously Carried Over used to Offset This Year's Income		-	-	-	-	-
Taxable Income (Loss) (After Write-offs)	24,441	29,103	33,942	38,965	44,182	49,600
Income Taxes (Credits)	7,332	8,731	10,183	11,690	13,255	14,880
Projected Sale Price						1,641,192
Adjusted Basis	957,091	922,182	887,273	852,364	817,455	782,545
Projected Cost of Sale						98,472
Projected Gain on Sale (before write-offs)						760,175
Accumulated Passive Losses						-
Projected Gain on Sale (after write-offs)						760,175
Capital Gains Taxes						152,035
Total Taxes (Credits)	7,332	8,731	10,183	11,690	13,255	166,915

Remaining Accumulated Losses to be carried over to other properties