

Computation of §1.752-7 Liability Reduction (in millions)

1. Basis of A's PRS interest	\$4
2. Less adjusted value of A's PRS interest	<u>(3)</u>
3. Difference	\$1
4. Remaining built-in loss from §1.752-7 liability	<u>2</u>
5. §1.752-7 liability reduction (lesser of 3 or 4)	\$1

Gain/Loss on Sale of A's PRS Interest (in millions)

1. Amount realized on sale	\$3
2. Less basis of PRS interest	
Original	4
§1.752-7 liability reduction	<u>1</u>
Difference	<u>(\$3)</u>
3. Gain/Loss	0