

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

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