

UTP Balance Sheet Immediately Before Contribution to LTP
(in millions)

<u>Assets</u>		<u>Liabilities/Equity</u>		
<u>Value</u>	<u>Basis</u>	<u>Value</u>	<u>Basis</u>	
\$5	\$5			Property 1
\$9	\$9			Property 2
				\$1.752-7 Liability
		\$2		Assumed from A
		<u>\$1.5</u>		Additional
		\$3.5		Total
				Partner's Equity:
		\$2.625	\$3	D (25%)
		\$2.625	\$3	B (25%)
		<u>\$5.25</u>	<u>\$6</u>	C (50%)
		\$10.5	\$12	Total Equity

UTP's Basis in LTP Immediately After Contribution (in millions)

1. Basis in assets	\$14
2. Less remaining built-in loss at time of A's sale	<u>(\$ 2)</u>
3. UTP's basis in LTP	\$12