

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

2004

Department of the Treasury
Internal Revenue Service

For calendar year 2004 or tax year beginning _____, 2004, ending _____, 20____
▶ See separate instructions.

A Year of REIT status election	Please Type or Print	Name	C Employer identification number
		Number, street, and room or suite no. (If a P.O. box, see page 5 of instructions.)	D Date REIT established
		City or town, state, and ZIP code	E Total assets (see page 6 of instructions)
F Check applicable box(es): (1) <input type="checkbox"/> Final return (2) <input type="checkbox"/> Name change (3) <input type="checkbox"/> Address change (4) <input type="checkbox"/> Amended return			\$

Part I—Real Estate Investment Trust Taxable Income (see page 6 of instructions)

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

1 Dividends	1	
2 Interest	2	
3 Gross rents from real property	3	
4 Other gross rents	4	
5 Capital gain net income (attach Schedule D (Form 1120))	5	
6 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6	
7 Other income (see page 6 of instructions—attach schedule)	7	
8 Total income. Add lines 1 through 7	8	

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

9 Compensation of officers	9	
10 Salaries and wages (less employment credits)	10	
11 Repairs and maintenance	11	
12 Bad debts	12	
13 Rents	13	
14 Taxes and licenses	14	
15 Interest	15	
16 Depreciation (attach Form 4562)	16	
17 Advertising	17	
18 Other deductions (see page 7 of instructions—attach schedule)	18	
19 Total deductions. Add lines 9 through 18	19	
20 Taxable income before net operating loss deduction, total deduction for dividends paid, and section 857(b)(2)(E) deduction. Subtract line 19 from line 8	20	
21 Less: a Net operating loss deduction (see page 9 of instructions)	21a	
b Total deduction for dividends paid (Schedule A, line 6)	21b	
c Section 857(b)(2)(E) deduction (Schedule J, lines 3c and 3e)	21c	
	21d	

Tax and Payments

22 Real estate investment trust taxable income. Subtract line 21d from line 20	22	
23 Total tax (Schedule J, line 8)	23	
24 Payments: a 2003 overpayment credited to 2004	24a	
b 2004 estimated tax payments	24b	
c Less 2004 refund applied for on Form 4466	24c () d Bal ▶	24d
e Tax deposited with Form 7004	24e	
f Credit for tax paid on undistributed capital gains (attach Form 2439)	24f	
g Credit for Federal tax paid on fuels (attach Form 4136)	24g	24h
25 Estimated tax penalty (see page 9 of instructions). Check if Form 2220 is attached ▶ <input type="checkbox"/>	25	
26 Tax due. If line 24h is smaller than the total of lines 23 and 25, enter amount owed	26	
27 Overpayment. If line 24h is larger than the total of lines 23 and 25, enter amount overpaid	27	
28 Enter amount of line 27 you want: Credited to 2005 estimated tax ▶ Refunded ▶	28	

Sign Here 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.

Sign Here	Signature of officer	Date	Title	May the IRS discuss this return with the preparer shown below (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No
	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	
Paid Preparer's Use Only	Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no. ()	

Part II—Tax on Net Income From Foreclosure Property (Section 856(e)) (see 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 instructions)

1a	Enter total income from Part I, line 8	1a		
1b	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 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 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 instructions)

<p>1 Check if the REIT is a member of a controlled group (see sections 1561 and 1563) . <input type="checkbox"/> Important: Members of a controlled group, see instructions on page 10.</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> <p>3a Tax on REIT taxable income 3a _____</p> <p>b Tax from Part II, line 6 3b _____</p> <p>c Tax from Part III, line 16 3c _____</p> <p>d Tax from Part IV, line 3 3d _____</p> <p>e Tax imposed under section 857(b)(7)(A) (see instructions) 3e _____</p> <p>f Alternative minimum tax (attach Form 4626) 3f _____</p> <p>g Income tax. Add lines 3a through 3f 3g _____</p> <p>4a Foreign tax credit (attach Form 1118) 4a _____</p> <p>b Check:</p> <p><input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> QEV credit (attach Form 8834) 4b _____</p> <p>c General business credit. Check box(es) and indicate which forms are attached.</p> <p><input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) ▶ _____ 4c _____</p> <p>d Credit for prior year minimum tax (attach Form 8827) 4d _____</p> <p>e Total credits. Add lines 4a through 4d 4e _____</p> <p>5 Subtract line 4e from line 3g 5 _____</p> <p>6 Personal holding company tax (attach Schedule PH (Form 1120)) 6 _____</p> <p>7 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Other (attach schedule) 7 _____</p> <p>8 Total tax. Add lines 5 through 7. Enter here and on line 23, page 1 8 _____</p>	
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Schedule K Other Information (see instructions)

<p>1 Check method of accounting:</p> <p>a <input type="checkbox"/> Cash</p> <p>b <input type="checkbox"/> Accrual</p> <p>c <input type="checkbox"/> Other (specify) ▶ _____</p> <p>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).)</p> <p>If "Yes," attach a schedule showing: (a) name and employer identification number (EIN), (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.</p> <p>3 Is the REIT a subsidiary in a parent-subsidiary controlled group?</p> <p>If "Yes," enter the name and EIN of the parent corporation ▶ _____</p> <p>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).)</p> <p>If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 3 above.) Enter percentage owned ▶ _____</p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="width:50%; text-align: center;">Yes</td><td style="width:50%; text-align: center;">No</td></tr> <tr><td style="height: 100px;"></td><td style="height: 100px;"></td></tr> </table>	Yes	No			<p>5 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of:</p> <p>(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:</p> <p>a Percentage owned ▶ _____</p> <p>b Owner's country ▶ _____</p> <p>c The REIT may have to file Form 5472. Enter number of Forms 5472 attached ▶ _____</p> <p>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.)</p> <p>If "Yes," file Form 5452.</p> <p>7 Check this box if the REIT issued publicly offered debt instruments with original issue discount . . . <input type="checkbox"/></p> <p>If so, the REIT may have to file Form 8281.</p> <p>8 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____</p> <p>9 Enter the available NOL carryover from prior tax years. (Do not reduce it by any deduction on line 21a.) ▶ \$ _____</p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="width:50%; text-align: center;">Yes</td><td style="width:50%; text-align: center;">No</td></tr> <tr><td style="height: 100px;"></td><td style="height: 100px;"></td></tr> </table>	Yes	No		
Yes	No										
Yes	No										

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 13 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 (see instructions—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 13 of instructions)				
1	Net income (loss) per books		7	Income recorded on books this year not included on this return (itemize):
2a	Federal income tax \$			Tax-exempt interest \$
b	Less: Section 857(b)(5) tax, section 857(b)(7) tax, and built-in gains tax \$ ()		8	Deductions on this return not charged against book income this year (itemize):
c	Balance ▶		a	Depreciation . \$
3	Excess of capital losses over capital gains		b	Net operating loss deduction (line 21a, page 1) \$
4	Income subject to tax not recorded on books this year (itemize):		c	Deduction for dividends paid (line 21b, page 1) \$
5	Expenses recorded on books this year not deducted on this return (itemize):		9	Net income from foreclosure property
a	Depreciation . . . \$		10	Net income from prohibited transactions
b	Section 4981 tax . \$		11	Add lines 7 through 10
c	Travel and entertainment \$		12	REIT taxable income (line 22, page 1)—line 6 less line 11
6	Add lines 1 through 5			

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (line 23, Schedule L)				
1	Balance at beginning of year		5	Distributions: a Cash
2	Net income (loss) per books			b Stock
3	Other increases (itemize):			c Property
			6	Other decreases (itemize):
			7	Add lines 5 and 6
4	Add lines 1, 2, and 3		8	Balance at end of year (line 4 less line 7)