

NUBIG

| | | | |
|---|----------------|----------------|-------------|
| Value of Wrap Notes | | \$1,700,143 | |
| Value of Royal Apartments (10% interest) | | <u>200,000</u> | |
| Total | | | 1,900,143 |
| Interest to American Factors | | 1,023,803* | |
| Legal Fees | | 421,678** | |
| Adjusted basis of wrap notes | \$539,999 | | |
| Less Payments | <u>221,339</u> | 318,660*** | |
| Basis of Royal Apartments | | <u>136,002</u> | |
| | Total | | <1,900,143> |
| Net unrealized built in gain (NUBIG) | | | -0- |

* FTB Used \$740,652

** FTB Used 330,190

*** FTB Used 444,290

Respondent has determined NUBIG to be \$1,184,686 without consideration of Royal Apts by using \$2,700,000 as value of wrap notes.

STATE BOARD OF EQUALIZATION



Appeal Name: ROYAL HOUSING, INC.

Case ID: 484677

ITEM #. B1

Date: MAY 24, 2011

Exhibit No: _____

TP

FTB

DEPT _____