

Schedule K-1 (Form 1065)

2012

Final K-1 Amended K-1 OMB No. 1545-0099

Department of the Treasury Internal Revenue Service

For calendar year 2012, or tax year beginning NOVEMBER 13, 2012 ending DECEMBER 31, 2012

Partner's Share of Income, Deductions, Credits, etc. See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

MIDWAY CADENCE, LLC 270 LAFAYETTE STREET, SUITE 409 NEW YORK, NY 10012

C IRS Center where partnership filed return E-FILE

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number

F Partner's name, address, city, state, and ZIP code

BLUE CHIP CAPITAL, LLC 27 HIGH TECH BLVD. THOMASVILLE, NC 27360

G General partner or LLC member-manager Limited partner or other LLC member

H Domestic partner Foreign partner

I What type of entity is this partner? PARTNERSHIP

J If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

J Partner's share of profit, loss, and capital:

Table with columns: Beginning, Ending, Profit, Loss, Capital. Values: Profit 1.5562250%, Loss 2.0080320%, Capital 2.0080320%

K Partner's share of liabilities at year end:

Table with columns: Nonrecourse, Qualified nonrecourse financing, Recourse. Values: Recourse 158,875.

L Partner's capital account analysis:

Table with columns: Beginning capital account, Capital contributed during the year, Current year increase (decrease), Withdrawals & distributions, Ending capital account. Values: Ending capital account 48,348.

M Tax basis GAAP Section 704(b) book Other (explain)

M Did the partner contribute property with a built-in gain or loss?

Yes No

If "Yes", attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 20 rows: 1 Ordinary business income (loss) 0., 2 Net rental real estate income (loss) -1,115., 3 Other net rental income (loss), 4 Guaranteed payments, 5 Interest income, 6a Ordinary dividends, 6b Qualified dividends, 7 Royalties, 8 Net short-term capital gain (loss), 9a Net long-term capital gain (loss), 9b Collectibles (28%) gain (loss), 9c Unrecaptured sec 1250 gain, 10 Net section 1231 gain (loss), 11 Other income (loss), 12 Section 179 deduction, 13 Other deductions W* 502., 14 Self-employment earnings (loss) A 0., 15 Credits, 16 Foreign transactions, 17 Alternative min tax (AMT) items A 151., 18 Tax-exempt income and nondeductible expenses, 19 Distributions, 20 Other information.

For IRS Use Only

*See attached statement for additional information.

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SCHEDULE K-1 OTHER DEDUCTIONS, BOX 13, CODE W

DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
CONSULTING FEES		502.
TOTAL TO SCHEDULE K-1, BOX 13, CODE W		502.

SCHEDULE K-1 CURRENT YEAR INCREASES (DECREASES)

DESCRIPTION	AMOUNT	TOTALS
RENTAL REAL ESTATE INCOME (LOSS)	-1,115.	
SCHEDULE K-1 INCOME SUBTOTAL		-1,115.
OTHER DEDUCTIONS	-502.	
SCHEDULE K-1 DEDUCTIONS SUBTOTAL		-502.
NET INCOME (LOSS) PER SCHEDULE K-1		-1,617.
PREPAID RENT-CY	-35.	
OTHER INCREASES OR DECREASES SUBTOTAL		-35.
TOTAL TO SCHEDULE K-1, ITEM L		-1,652.

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This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

	Code	Report on
1. Ordinary business income (loss). Determines whether the income (loss) is passive or nonpassive and enter on your return as follows.	J Work opportunity credit K Disabled access credit L Empowerment zone and renewal community employment credit M Credit for increasing research activities N Credit for employer social security and Medicare taxes O Backup withholding P Other credits	Report on See the Partner's Instructions
Passive loss		See the Partner's Instructions
Passive income		Schedule E, line 28, column (g)
Nonpassive loss		Schedule E, line 28, column (h)
Nonpassive income		Schedule E, line 28, column (i)
2. Net rental real estate income (loss)		See the Partner's Instructions
3. Other net rental income (loss)		See the Partner's Instructions
4. Guaranteed payments		Schedule E, line 28, column (g)
5. Interest income		See the Partner's Instructions
6a. Ordinary dividends		Schedule E, line 28, column (j)
6b. Qualified dividends		Form 1040, line 9a
7. Royalties		Form 1040, line 9b
8. Net short-term capital gain (loss)		Schedule E, line 4
9a. Net long-term capital gain (loss)		Schedule D, line 5
9b. Collectibles (28%) gain (loss)		Schedule D, line 12
9c. Unrecaptured section 1250 gain		28% Rate Gain Worksheet, line 4 (Schedule D Instructions)
10. Net section 1231 gain (loss)		See the Partner's Instructions
11. Other income (loss)		See the Partner's Instructions
Code		
A Other portfolio income (loss)		See the Partner's Instructions
B Involuntary conversions		See the Partner's Instructions
C Sec. 1256 contracts & straddles		Form 5781, line 1
D Mining exploration costs recapture		See Pub. 535
E Cancellation of debt		Form 1040, line 21 or Form 982
F Other income (loss)		See the Partner's Instructions
12. Section 179 deduction		See the Partner's Instructions
13. Other deductions		See the Partner's Instructions
A Cash contributions (50%)		See the Partner's Instructions
B Cash contributions (30%)		
C Noncash contributions (50%)		
D Noncash contributions (30%)		
E Capital gain property to a 50% organization (30%)		
F Capital gain property (20%)		
G Contributions (100%)		
H Investment interest expense	Form 4952, line 1	
I Deductions - royalty income	Schedule E, line 19	
J Section 69(e)(2) expenditures	See the Partner's Instructions	
K Deductions - portfolio (2% floor)	Schedule A, line 23	
L Deductions - portfolio (other)	Schedule A, line 28	
M Amounts paid for medical insurance	Schedule A, line 1 or Form 1040, line 29	
N Educational assistance benefits	See the Partner's Instructions	
O Dependent care benefits	Form 2441, line 12	
P Preproductive period expenses	See the Partner's Instructions	
Q Commercial revitalization deduction from rental real estate activities	See Form 6552 Instructions	
R Pensions and IRAs	See the Partner's Instructions	
S Recreation expense deduction	See the Partner's Instructions	
T Domestic production activities information	See Form 9903 Instructions	
U Qualified production activities income	Form 8903, line 7b	
V Employer's Form W-2 wages	Form 8903, line 17	
W Other deductions	See the Partner's Instructions	
14. Self-employment earnings (loss)		
Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		
A Net earnings (loss) from self-employment		Schedule SE, Section A or B
B Gross farming or fishing income		See the Partner's Instructions
C Gross non-farm income		See the Partner's Instructions
15. Credits		
A Low-income housing credit (section 42(j)(6)) from pre-2008 buildings		See the Partner's Instructions
B Low-income housing credit (other) from pre-2008 buildings		
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings		
D Low-income housing credit (other) from post-2007 buildings		
E Qualified rehabilitation expenditures (rental real estate)		
F Other rental real estate credits		
G Other rental credits		
H Undistributed capital gains credit	Form 1040, line 71; check box a	
I Alcohol and caliche/bisulphite fuels credit	See the Partner's Instructions	
J Other information		
16. Foreign transactions		
A Name of country or U.S. possession		Form 1116, Part I
B Gross income from all sources		
C Gross income sourced at partner level		
Foreign gross income sourced at partnership level		
D Passive category		Form 1116, Part I
E General category		
F Other		
Deductions allocated and apportioned at partner level		
G Interest expense		Form 1116, Part I
H Other		Form 1116, Part I
Deductions allocated and apportioned at partnership level to foreign source income		
I Passive category		Form 1116, Part I
J General category		
K Other		
Other information		
L Total foreign taxes paid		Form 1116, Part II
M Total foreign taxes accrued		Form 1116, Part II
N Reduction in taxes available for credit		Form 1116, line 12
O Foreign trading gross receipts		Form 8873
P Extraterritorial income exclusion		Form 8873
Q Other foreign transactions		See the Partner's Instructions
17. Alternative minimum tax (AMT) items		
A Post-1986 depreciation adjustment		See the Partner's Instructions and the Instructions for Form 6251
B Adjusted gain or loss		
C Depletion (other than oil & gas)		
D Oil, gas, & geothermal - gross income		
E Oil, gas, & geothermal - deductions		
F Other AMT items		
18. Tax-exempt income and nondeductible expenses		
A Tax-exempt interest income		Form 1040, line 8b
B Other tax-exempt income		See the Partner's Instructions
C Nondeductible expenses		See the Partner's Instructions
19. Distributions		
A Cash and marketable securities		See the Partner's Instructions
B Distribution subject to section 737		
C Other property		
20. Other information		
A Investment income		Form 4952, line 4a
B Investment expenses		Form 4952, line 5
C Fuel tax credit information		Form 4138
D Qualified rehabilitation expenditures (other than rental real estate)		See the Partner's Instructions
E Basis of energy property		See the Partner's Instructions
F Recapture of low-income housing credit (section 42(j)(5))		Form 8811, line 8
G Recapture of low-income housing credit (other)		Form 8811, line 5
H Recapture of investment credit		See Form 4255
I Recapture of other credits		See the Partner's Instructions
J Look-back interest - completed long-term contracts		See Form 6897
K Look-back interest - income forecast method		See Form 8886
L Dispositions of property with section 179 deductions		
M Recapture of section 179 deduction		
N Interest expense for corporate partners		
O Section 403(j)(3) information		
P Section 403A(a) information		
Q Section 1260(b) information		
R Interest allocable to production expenditures		See the Partner's Instructions
S CCF nonqualified withdrawals		
T Depletion information - oil and gas		
U Amortization of reformation costs		
V Unrelated business taxable income		
W Precontribution gain (loss)		
X Section 10811 information		
Y Other information		

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2012

New York State Department of Taxation and Finance
New York Partner's Schedule K-1
Tax Law - Article 22 (Personal Income Tax)

IT-204-IP

1

Final K-1
Amended K-1

For calendar year 2012 or tax year beginning 11-13-2012 and ending 12-31-2012

Partners: Before completing your income tax return, see Form IT-204-IP-I, Partner's Instructions for Form IT-204-IP (available at www.tax.ny.gov).

Partnership's information (see instructions)
Partnership's name (as shown on Form IT-204)

Partnership's EIN

MIDWAY CADENCE, LLC

A Mark an X in the box if either applies to your entity Publicly traded partnership Portfolio investment partnership

B Tax shelter registration number, if any

C Business allocation percentage %

Partner's information (see instructions)

Partner's name

Partner's identifying number

BLUE CHIP CAPITAL, LLC

Partner's address

27 HIGH TECH BLVD.

City

State

ZIP code

THOMASVILLE

NC

27360

D The partner is a (mark an X in the appropriate box) General partner or LLC member-manager Limited partner or other LLC member

E What is the tax filing status of the partner? (mark an X in the appropriate box, if known.) Individual Estate/trust Partnership

F If the partner is a disregarded entity or grantor trust,

enter the tax ID of the entity or individual reporting the income, if known

G Did the partner sell its entire interest during the tax year? Yes No

H Partner's share of profit, loss, and capital

Beginning

Ending

Table with 4 columns: Description, H1, H2, H3, H1, H2, H3, %

I Partner's share of liabilities at the end of the year

Table with 3 columns: Description, I1, I2, I3, %

J Partner's capital account analysis

Table with 3 columns: Description, J1, J2, J3, J4, J5, J6, J7, %

8) Method of accounting (mark an X in the appropriate box)

X Tax basis GAAP Book Other (submit explanation)

K Resident status (mark an X in all boxes that apply)

- NYS full-year resident, Yonkers full-year resident, NYC full-year resident, etc.

L If the partner was included in a group return, enter the special NYS identification number, if known

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M 1) Was Form IT-2658-E filed with the partnership? **M1** Yes No

2) Was Form MTA-405-E filed with the partnership? **M2** Yes No

N NYS estimated tax paid on behalf of partner (from Form IT-2658) **Date** **Amount**

1) First installment **N1**

2) Second installment **N2**

3) Third installment **N3**

4) Fourth installment **N4**

Total NYS estimated tax paid on behalf of partner (add lines N1 through N4) **N**

O Estimated MCTMT paid on behalf of partner (from Form MTA-405) **Date** **Amount**

1) First installment **O1**

2) Second installment **O2**

3) Third installment **O3**

4) Fourth installment **O4**

Total estimated MCTMT paid on behalf of partner (add lines O1 through O4) **O**

Partner's share of income, deductions, etc.

A - Partner's distributive share items	B - Federal K-1 amount	C - New York State amount
1 Ordinary business income (loss)	1	1
2 Net rental real estate income (loss)	2	2
3 Other net rental income (loss)	3	3
4 Guaranteed payments	4	4
5 Interest income	5	5
6 Ordinary dividends	6	6
7 Royalties	7	7
8 Net short-term capital gain (loss)	8	8
9 Net long-term capital gain (loss)	9	9
10 Net section 1231 gain (loss)	10	10
11 Other income (loss) Identify:	11	11
12 Section 179 deduction	12	12
13 Other deductions Identify: SEE STATEMENT	13	13
14 Tax preference items for minimum tax	14	14
Identify:		
15 Net earnings (loss) from self-employment	15	15
16 Tax-exempt income and nondeductible expenses	16	16
17 Distributions - cash and marketable securities	17	17
18 Distributions - other property	18	18
19 Other items not included above that are required to be reported separately to partners	19	19
Identify:		

Partner's share of New York modifications (see instructions)

20 New York State additions	A - Total amount	B - New York State allocated amount
Number		
20a EA-		
20b EA-		
20c EA-		
20d EA-		
20e EA-		
20f EA-		
21 Total addition modifications (total of column A, lines 20a through 20f)		21



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Partner's share of New York modifications *(continued)*

22 New York State subtractions			
Number	A - Total amount	B - New York State allocated amount	
22a	ES-		
22b	ES-		
22c	ES-		
22d	ES-		
22e	ES-		
22f	ES-		
23 Total subtraction modifications <i>(total of column A, lines 22a through 22f)</i>			23

24 Additions to federal itemized deductions			
Letter	Amount		
24a			
24b			
24c			
24d			
24e			
24f			
25 Total additions to federal itemized deductions <i>(add lines 24a through 24f)</i>			25

26 Subtractions from federal itemized deductions			
Letter	Amount		
26a			
26b			
26c			
26d			
26e			
26f			
27 Total subtractions from federal itemized deductions <i>(add lines 26a through 26f)</i>			27
28 New York adjustments to tax preference items			28

Partner's other information

29a	Partner's share of New York source gross income	29a	
29b	MCTD allocation percentage <i>(see instructions)</i>	29b	%

Partner's credit information

Part 1 - Flow-through credit bases and factors

Brownfield redevelopment tax credit *(Form IT-611 or IT-611.1)*

	A - Form IT-611	B - Form IT-611.1
30 Site preparation credit component	30	30
31 Tangible property credit component	31	31
32 On-site groundwater remediation credit component	32	32



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Partner's credit information *(continued)*

EZ capital tax credit *(Form IT-602)*

33 Contributions of money to EZ community development projects 33
 34 Recapture of credit for investments in certified EZ businesses 34
 35 Recapture of credit for contributions of money to EZ community development projects 35

QEZE tax reduction credit *(Form IT-604)*

36 QEZE employment increase factor 36
 37 QEZE zone allocation factor 37
 38 QEZE benefit period factor 38

Excelsior jobs program tax credit *(Form IT-607)*

39 Excelsior jobs tax credit component 39
 40 Excelsior investment tax credit component 40
 41 Excelsior research and development tax credit component 41
 42 Excelsior real property tax credit component 42

Farmers' school tax credit *(Form IT-217)*

43 Acres of qualified agricultural property 43
 44 Acres of qualified conservation property 44
 45 Eligible school district property taxes paid 45
 46 Acres of qualified agricultural property converted to nonqualified use 46

Other flow-through credit bases and factors

Credit bases

Code	Amount	Code	Amount
47a		47d	
47b		47e	
47c		47f	

Credit factors

Code	Factor	Code	Factor	Code	Factor
47g		47i		47k	
47h		47j		47l	

Part 2 - Flow-through credits, addbacks and recaptures

48 Long-term care insurance credit *(Form IT-249)* 48
 49 Investment credit *(including employment incentive credit and historic barn rehabilitation credit; Form IT-212)* 49
 50 Research and development - investment credit *(Form IT-212)* 50

51 Other flow-through credits

Code	Amount	Code	Amount
51a		51e	
51b		51f	
51c		51g	
51d		51h	

52 Addbacks of credits and recaptures

Code	Amount	Code	Amount
52a		52d	
52b		52e	
52c		52f	

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NY IT-204-IP

OTHER DEDUCTIONS

<u>DESCRIPTION</u>	<u>AMOUNT FROM FEDERAL SCHEDULE K-1</u>	<u>NEW YORK STATE AMOUNT</u>
CONSULTING FEES	502.	0.
TOTAL TO FORM IT-204-IP, PAGE 2, LINE 13	502.	0.

PARTNER NUMBER 1

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2012 Partner's Share of
N.C. Income, Adjustments, and Credits

North Carolina Department of Revenue

10-11-12

For calendar year or fiscal year beginning 11 13 12 and ending 12 31 12

Partner's Identifying Number

Federal Employer ID Number

Partner's Name, Address, and ZIP Code

Partnership's Name, Address, and ZIP Code

BLUE CHIP CAPITAL LLC
27 HIGH TECH BLVD
THOMASVILLE NC 27360

MIDWAY CADENCE LLC
270 LAFAYETTE STREET SUITE 409
NEW YORK NY 10012

THERE ARE NO ADJUSTMENTS OR CREDITS FOR THIS PARTNER

Partnership's Pro Rata Share Items	Amount	Individuals Filing Form D-400 Enter Amount on:
All Partners		
1. Share of partnership income (loss)	-1115	
2. Additions to income (loss)		
a. Addition for bonus depreciation	0	Page 2, Line 35
b. Other additions to income (loss)	0	Page 2, Line 36
3. Deductions from income (loss)		
a. Deduction for bonus depreciation	0	Page 2, Line 44e
b. Other deductions from income (loss)	0	Page 2, Line 49
4. Share of tax credits	0	Form D-400TC
5. Share of tax withheld from nonwage compensation paid for personal services performed in N.C.	0	Page 2, Line 23
Nonresidents Only		
6. Nonresident's share of N.C. taxable income (loss)	0	Page 2, Line 51
7. Nonresident's share of net tax paid by the manager of the partnership	0	Page 2, Line 24c