

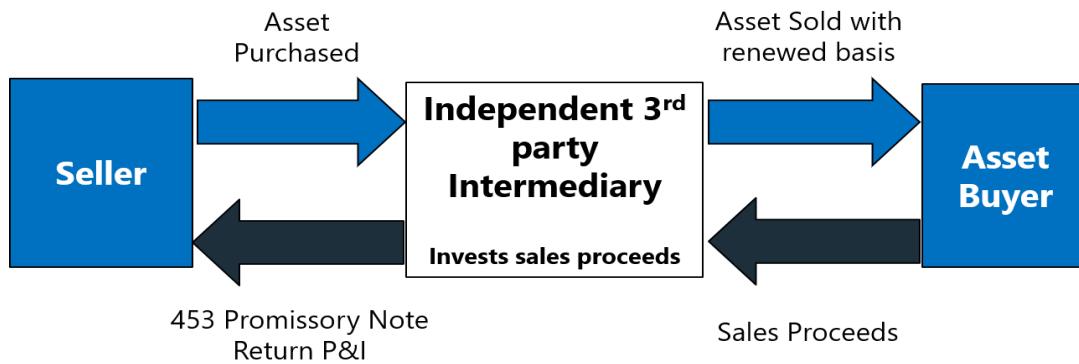


## IRS 453 Installment Sale Strategies

### Turn One Transaction into Two

- Intermediary purchases and resells assets to the buyer in a concurrent close.
- The buyer funds the Intermediaries Special Purpose Vehicle LLC.
- Seller receives Installment contract – Repay principal & Interest over time.
- Intermediary invests sales proceeds to fulfill the terms of the installment contract.

### 453 Structured Settlement - Partnership LLC Structure



### Benefits

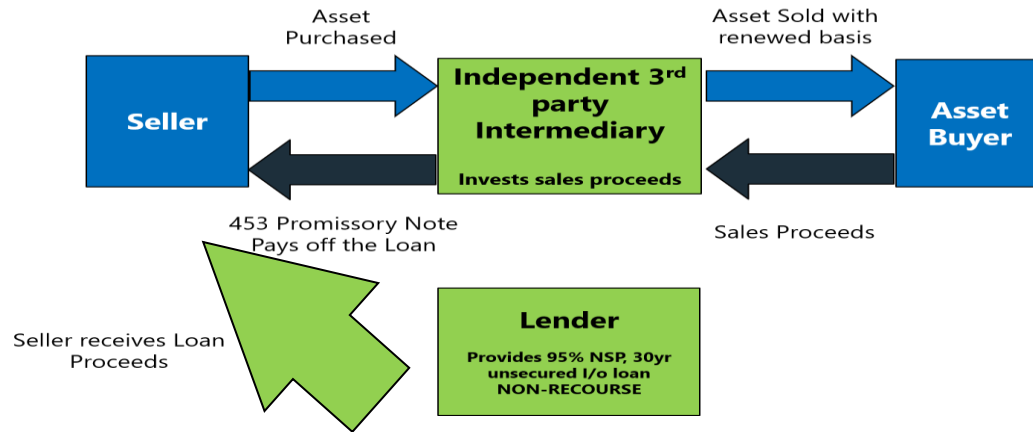
- Tax Deferral when selling appreciated assets (10, 20, 30 years)
- Create Tax-Deferred Liquidity
- Create Income Stream(s)
- Diversify and Lower Risk
- Flexibility & Control to invest as you wish when you wish
- Bail Out failing or expired 1031 exchanges
- Estate & Charitable planning

### Challenges Solved

- Solve Seller control and default concerns
- Solve desire to create tax deferred liquidity & exit real estate
- Solve multi-owner challenges – especially if they have different goals
- Solve lack of quality fair priced trade property concerns
- Solve the hassle of the 45-day Identification / 180-day close requirements of 1031 exchanges
- Solve Income replacement needs
- Solve Estate wealth transfer goals



### 453 Cash at Close - Monetized Structure



### A specialized lender issues a Loan to Seller at close

- Seller receives loan proceeds at close
- Tax is deferred for 30 years – Seller pays tax when installment contract matures
- Installment contract pays off the Unsecured Non-Recourse Loan (Interest & Principle)
- Structure backed by IRS general counsel memorandum
- Minimum size case = \$500k net sales proceeds

### Additional Benefits

- Receive cash at close as tax-free loan proceeds
- Tax Deferral for 30-years - ability to deploy cash immediately without a tax event
- Defer tax on debt over basis/mortgage over basis
- Clear debt off personal or company balance sheet
- Flexibility to invest in non-market investments that require cash
- Inflation @ 3% for 30 years results in seller paying tax liability off at \$.40 cent on the dollar

### Fee Summary

- At Close – one time setup fee
- Annual maintenance fee
- Advisor fee – varies depending on investments & advisor chosen