



Comparison of Deferred Capital Gains Options

	Private Annuity Trust	1031 Exchange	1031 Tenant In Common Exchange	Cash	Ordinary Installment Sale	Structured Sale
Large life insurance company guarantees payments?	No	No	No	N.A.	No	Yes
Avoids depending on Buyer's solvency?	No. Buyer may default.	N.A.	No	N.A.	No. Buyer may default.	Yes
Avoids depending on buyer's ability to manage property or investments?	No. Payments may suffer due to future investment returns.	Yes	No	N.A.	No. Buyer may default. Seller may be forced to retake distressed property.	Yes
Capital gains deferred?	Yes. (May be under IRS scrutiny).	Yes	Yes	No	Yes. But if buyer defaults, may lose deferral.	Yes
Can defer capital gain on residence?	Yes	No	No	No	Yes	Yes
Can defer a portion of income from sale?	No	No	No	N.A.	Yes	Yes
Provides guaranteed rate of return?	No	No	No	No	Depends on buyer's investment and management skills	Yes
Provides lifetime payments?	Yes, but depends on future returns.	No	No	No	Buyer may not be able to accommodate.	Yes
Avoids any required distribution at age 70½?	No	N.A.	N.A.	N.A.	Yes	Yes
Flexible payment schedule allows for financial planning?	No. Lifetime payments only.	No	Depends	No	Buyer may not be able to accommodate.	Yes
Avoids constant fees / expenses?	No	No	No	No	Depends on letter of credit expenses & if seller incurs fees to receive payments.	Yes
Avoids purchase of additional real estate?	Yes	No	No	Yes	Yes	Yes
Able to take advantage of current high value of property being sold?	Yes	No	Yes	Yes	Yes. But, buyer may default. Seller may be forced to retake distressed property.	Yes
Buyer can also benefit?	No	No	No	No	Yes, but future payments depend on buyer's solvency.	Yes

This information is general in nature and is not intended to give tax, legal or investment advice. Prior to entering into any option of selling assets it is recommended to consult your tax advisor.