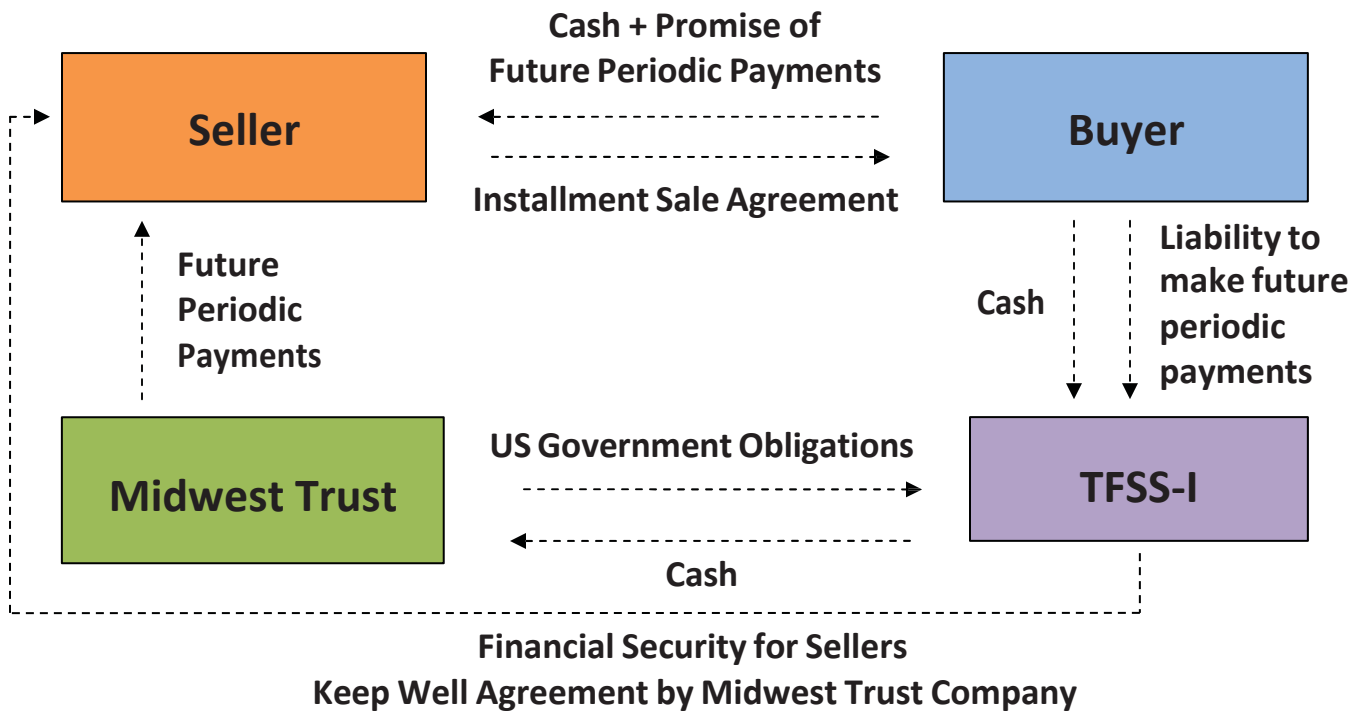


Structured Installment Sale Flow Chart

- Property is sold using an installment agreement...in compliance with IRC section 453.
- In order to enhance the transaction, parties agree that a 3rd party will “step into the shoes of the buyer” to make the future payments under the installment contract.
- 3rd party is a special purpose assignment company used to purchase US Treasuries.

Structured Installment Sale





Design Mechanics

- Potential taxation benefits to the transaction parties.
- Allows funds that may have been paid in taxes to grow and be paid out at a later date.
- Payments may be made to either an individual or a corporation.
- Limited restrictions on the payment streams (no life payments). Benefits can be designed to the seller's needs.
- Can be paid monthly, quarterly, semi-annually, annually, lump sum, or any combination thereof.

Transaction Mechanics

- Sales agreement includes language allowing for installment sale.
- Assignee funds the payment liability by purchasing US Government obligations.
- Midwest Trust issues a Keep Well on assets owned by Assignee.
- Future installment sale payments are assigned to the Assignee, which is domiciled in Barbados & governed by the US-Barbados Tax Treaty.

Structured Sale Summary

- As per installment sales agreement, buyer transfers obligation to make installment sale payments to the assignment company.
- Assignment company purchases U.S. Treasuries to fund installment payments.
- The structured installment sale vehicle retains installment sale tax treatment.
- Title passes to buyer.
- Potential greater security and certainty of sale with the structured installment sale vehicle.