5 Steps to Control Your DST with a Payment Plan

1. How Much Control Do You Have Over the Deferred Sales Trust?

There are two very important principles to understand regarding the level of control you, as an individual, have over your Deferred Sales Trust. The first is that no money moves without your approval. Your trustee won't invest anything without your consent. Second, you can't have unilateral control, or your profits would be taxable.

2. How Does the Promissory Note Work?

First, you will conduct a risk assessment survey with your trustee. This will determine how and where the DST will invest your money. Then, you will choose the interest rate of what the trust owes back to you. Usually, this is about six, seven, or eight percent. The trust will find investments that will earn you the return you want based on your risk tolerance and over the term of your note. You then decide if you wish to receive just interest payments or take installments of your principal and the timing of those payments.

3. Options for the Payback Terms of Your Installment Note

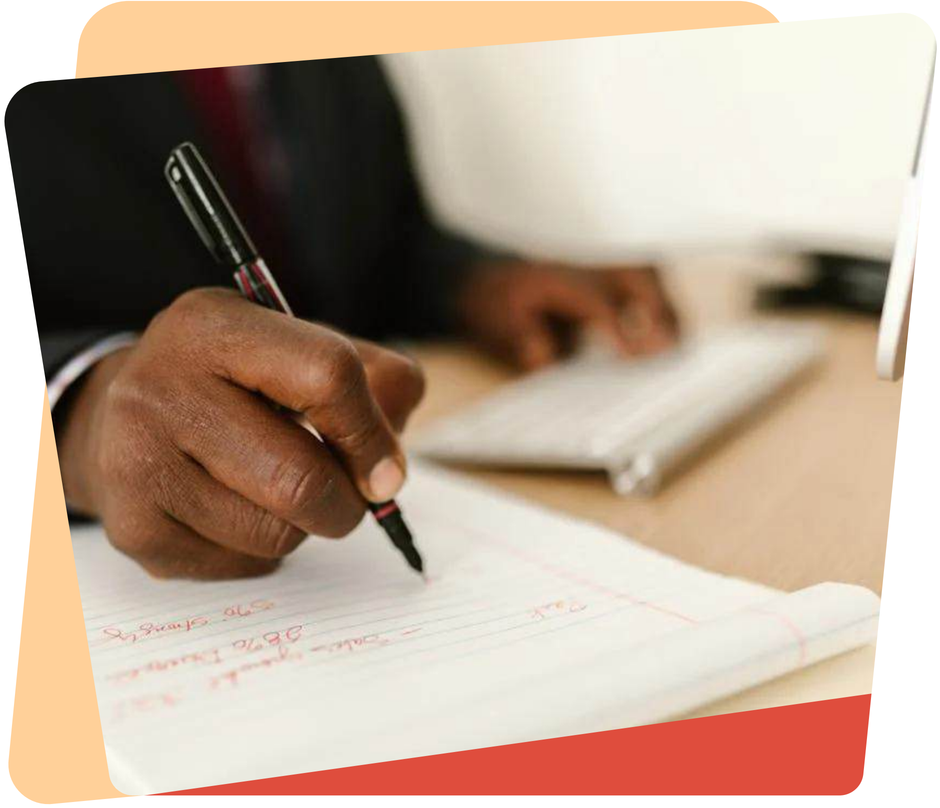
You first have the option of determining the term of your repayment note. Terms usually range from one to ten years. From then on, you get to decide how often you want to receive payments. They can be monthly, quarterly, yearly, or more often.

4. Investment Options

One of the most significant benefits of the Deferred Sales Trust, when compared to other tax-deferred trusts, is that the options for investment are nearly endless. Unlike a 1031 exchange, where investments are limited to like-kind real estate, your trustee can put your principal in any "prudent" investment you approve.

5. Restructuring Your Repayment Terms

Once you set the terms of your promissory note, it is not set in stone. You can restructure your payment plan anytime you have a reasonable reason to do so.



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