

LB REVOCABLE TRUST
LB HERITAGE AND LEGACY TRUST

Open Items

I. LB Revocable Trust Agreement

A. Artwork and Book Collection. The LB Revocable Trust Agreement currently provides that artwork and collectible books includible in LDB's estate at death will pass, in trust, for DRB. Upon DRB's death, such items will pass to the Foundation, subject to a power of the Trustees to distribute selected works of art and books, in trust, for the benefit of LDB's children. Will LDB identify certain works of art and collectible books to pass, in trust, to his children?

B. Residences. Substantial residential property is owned by DRB or in joint name (only [REDACTED] s owned in LDB's sole name). Because LDB and DRB's testamentary plans may vary, the order of death will have an impact on the ultimate disposition of such residential properties. Specifically, while [REDACTED] ultimately will pass to the Heritage Trust, the other properties will pass to the Heritage Trust if DRB predeceases but otherwise will pass according to DRB's testamentary plan.

C. Residue. If the power to direct art is exercised (as described in paragraph A), so art is subject to estate tax, the residue will be reduced significantly by estate tax. To the extent art instead passes to the Foundation, the residue will be larger. Assuming we expect a substantial residuary estate, does LDB wish to employ the zeroed-out CLAT strategy?

II. LB Heritage and Legacy Trust Agreement

A. Entrepreneurial Ventures. The LB Heritage and Legacy Trust Agreement currently provides that the Trustees have discretion to invest principal of the Heritage Trust in one or more entrepreneurial ventures of LDB's descendants. However, the Trustees may not invest more than 10% of the Heritage Trust principal in any such ventures if the entrepreneur is a child and not more than 5% if the entrepreneur is a grandchild. The Trustees also may not invest in more than three ventures per descendant over his or her lifetime.

1. Would LDB like to change the proportion of Heritage Trust principal that may be invested in a descendant's venture? It has been suggested that the cap be reduced from 10% to 5% for children and from 5% to 2.5% for grandchildren.

2. Would LDB like to change the number of ventures per descendant in which the Trustees may invest? It has been suggested that this limitation be removed entirely.