

Ms. Johnson, excuse the lack of formality in this submission; here is a brief outline from Regina Staudacher, as requested.

- I. Ability of Fund to Sell Individual Assets
 - a. Understand that fund can sell assets and re-invest the proceeds
 - b. What about exit strategy at the end of 10 years?
 - c. Can the fund sell individual assets and realize tax-free appreciation if the individual assets have been held for 10 years
 - d. If not, what is the proposed exit strategy for the fund-sell the entire interest?
 - i. Requirement makes exit difficult
- II. Can a grantor trust invest the proceeds while the tax liability passes to the grantor?
 - a. Grantor trust becomes taxable upon death of the grantor
 - b. If the trust makes the election and holds the proceeds, it becomes liable for the tax in 2026, but the idea of the trust is to protect itself from tax
 - c. Tax liability should flow through to the grantor so that his estate is responsible for tax in the event of death BUT
 - d. Trust should invest the proceeds because it has the proceeds

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