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OVERVIEW OF PROBATE AND TRUST ADMINISTRATION

Your duties and responsibilities as Personal Representative of the Estate commence upon your appointment as Personal Representative and the Court's issuance of Letters of Administration. Your duties and responsibilities as Trustee of the Trust commence upon your acceptance of your appointment as Trustee. Following your appointment as Personal Representative you are not required to obtain any additional Court orders or directions before proceeding with the discharge of your duties, although, in some instances, of which we will advise you, Court orders may be necessary for acts not covered by the Will or Probate Code. Generally, your duties as Personal Representative are to pay or otherwise settle all debts, claims against the Estate, expenses of administration, and income, estate and inheritance taxes, and to distribute the Estate's assets according to the terms of the Will and the general provisions of the Probate Code. Your duties as Trustee are generally to coordinate the payment of any proven creditor with the Personal Representative (you) and to distribute the Trust's assets in accordance with the terms of the Trust. During the administration of the Estate, you, as Personal Representative, are required to manage all of the real and personal property of the Estate (this will not include homestead property, joint property, and assets passing outside of the Probate Court). Please be advised that your service as Personal Representative and Trustee is a serious legal undertaking, and as such, you can be held personally liable for failing to properly administer the Estate and the Trust in accordance with Florida law.

Within sixty (60) days of the issuance of the Letters of Administration, you, as Personal Representative, must file an Inventory of the property of the Estate, which lists with reasonable detail the items and their value. You must provide a list of the assets to us at your earliest convenience so that we can prepare the Inventory. If there are no assets to report, the Inventory will reflect that fact. Please note that assets of the Trust, jointly held property, and other assets in which a beneficiary is named, such as an IRA, annuity, and an insurance policy are not included on the Inventory, unless the named beneficiary is the Estate. A copy of the Inventory must be sent to the Florida Department of Revenue and to any interested persons, such as beneficiaries and creditors of the Estate, who request a copy.

As you exercise your duties as Personal Representative you must do so in the best interest of the Estate's beneficiaries and other interested parties, such as creditors. Any improper exercise of your fiduciary duty can result in personal liability for loss or damage resulting from that breach. Basically, you are required to deal with the Estate's assets with the standard of care that would be observed by a prudent trustee dealing with the property of another.

We will publish on two (2) occasions a Notice to Creditors on your behalf, as Personal Representative, in the Daily Business Review, and will mail a Notice of Administration and a Notice to Creditors to each beneficiary. In addition to publishing a Notice to Creditors, a Notice to Creditors must be sent to all creditors of the estate that are known or are reasonably ascertainable. It is the Personal Representative's responsibility to make a reasonably diligent effort to ascertain the identities of potential creditors of the Estate. Thus, you will need to review checking account statements, income tax returns, credit cards and other personal papers to generate a list of all persons and/or entities to whom payments may now be owed. If, after a reasonably diligent search, there are known creditors or potential creditors of the Estate, you must provide me with a list of all names and addresses of such creditors so that I may mail a Notice to Creditors to them. My letter and the accompanying Notice to Creditors will advise claimants to timely file a written statement of claim with the clerk of the Circuit Court or be barred from pursuing the claim against the Estate. Please be advised that although you are the Personal Representative, you will also need to file a creditor claim if you or the estate has paid any funeral bills or other claims, such as medical expenses. Of course, if the decedent owed you money or has some contractual obligation to you, you should also file a claim.

You, as Personal Representative, may settle a claim that has not been filed with the Court so long as the claim has been approved by the interested parties adversely affected by the claim and if settlement is made within the time limitations mentioned above. You should not settle any such claims without first discussing them with us. Failure to properly document these payments with a Personal Representative's Proof of Claim may jeopardize their deductibility for estate tax purposes.

You, as Personal Representative, or any other interested person may file an objection to any claim filed with the Court within thirty (30) days after its filing, or within four (4) months from the date of the first publication of the Notice to Creditors. Failure to timely file an objection constitutes an acceptance of the claim. The claimant then has thirty (30) days within which to bring an independent legal action to protect the claim. You will receive from the Court a notice of all claims filed and you must contact us if you question the validity of any claim.

No claims against the Estate need to be paid by the Personal Representative until four (4) months from the date of the first publication of the Notice to Creditors. Mortgages, secured interests and liens encumbering specific property do not require compliance with the claims procedure nor Court approval for enforcement.

The most important thing to note is that with or without claims, if the Estate does not have sufficient assets to pay all debts and you pay some of the debts or claims, you may be held personally liable from your own assets for doing so. Therefore, great care must be exercised in this area. As Personal Representative, you are not required to pay or deliver to any beneficiary any devise or distributive share of the Estate until five (5) months after the issuance of the Letters of Administration. On the other hand, you need not wait until the Estate is formally closed to make such distributions. Do not, however, make any distributions without consulting with us.

A Federal estate tax return may need to be filed nine (9) months after the date of death with the Internal Revenue Service. In addition, an estate tax return would need to be filed with the

Florida Department of Revenue. Income tax returns and Florida Intangible Tax returns may need to be filed periodically. These include final income and/or intangible tax returns for the decedent, and income and intangible tax returns for the Estate, and similar returns for the Trust. We will need to review these requirements with you from time to time.

You may be required to file periodic and final accountings detailing all receipts and disbursements of income and principal with respect to both the Estate and the Trust from the date of the commencement of the administration of the Estate and the date of your acceptance as Trustee, respectively. There are instances wherein these requirements may be waived. Finally, a Petition to close the Estate will be required after all debts, claims, expenses and taxes have been paid or settled; this petition will also include a proposal for the distribution of the remaining assets of the Estate. This will be the last step for you as Personal Representative.

With regard to your fee as Personal Representative/Trustee fees, pursuant to the fee schedule as stated in F.S. §733.617, the following is a reasonable fee for ordinary services associated with an estate administration:

- 3% for the first \$1 million.
- 2.5% for all above \$1 million and not exceeding \$5 million.
- 2% for all above \$5 million and not exceeding \$10 million.
- 1.5% for all above \$10 million.

In addition to the aforesaid fee, a Personal Representative/Trustee shall be allowed such further compensation as the Court may deem just and reasonable for any extraordinary services including, but not limited to:

- The sale of real or personal property.
- The conduct of litigation on behalf of or against the estate.
- Involvement in proceedings for the adjustment or payment of any taxes.
- The carrying on of the decedent's business.
- Any other special services which may be necessary for the personal representative to perform.

Please be advised that if you elect to take this fee, it is fully taxable to you as income.