

**IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR THE COUNTY OF WASHOE**

In the Matter of the Estate)	
of)	Case No. PR
)	Dept. PR
Deceased.)	
	/	

INSTRUCTIONS FOR PERSONAL REPRESENTATIVE

A Personal Representative (sometimes referred to as Executor or Administrator) has certain responsibilities and obligations. By signing these Instructions as provided below, you acknowledge these responsibilities and obligations, and agree to abide by these Instructions and the applicable law in all circumstances, unless the Court, by written order, informs you otherwise. **Under Nevada law you may be subject to sanctions or removal if you fail to fulfill your responsibility and abide by the law governing estates.** Please read these Instructions carefully, initial each page and sign below where indicated, acknowledging receipt.

1. GENERAL DUTIES AS PERSONAL REPRESENTATIVE

As set forth in more detail below, your duties as Personal Representative involve the collection, management, preservation and investment of the Estate assets, payment of the proper creditor claims, and distribution of the Estate to those beneficiaries as designated by the Will or as required by law.

Further, it is a fundamental rule of law that a Personal Representative acts in a fiduciary capacity. This means you must be faithful to the Estate. You must keep accurate books and records. You must collect all of the assets of the Estate and you must value those assets. You should review all of the decedent's documents to determine the extent of the assets. You cannot commingle Estate assets with yours or others. You are required to preserve the assets of the Estate which includes among other things securing and insuring the assets. You cannot engage in any transactions which will result in a conflict of interest between you and the Estate. You are required to make sure that the decedent's debts are paid. With prior Court approval, you may also be required to sell assets if there are insufficient liquid assets to pay the debts and expenses of the Estate. Also, certain assets or items will require special attention. Examples of these assets include without limitation, closely-held business interests, real estate, oil and gas interests,

ongoing litigation, ongoing court proceedings, volatile assets or perishable assets.

Finally, your administrative powers are governed by the terms of the Will (if there is one) and state law. It is impossible to foresee every situation which may arise in the administration of an estate, so you should ask your attorney if you have any questions about your authority to do anything.

2. COURT SUPERVISION

Many of the activities of a Personal Representative require Court approval or filings. Examples of these activities, include but are not limited to, the sale of securities, the sale of real property, the sale of personal property, the annual accounting, the inventory of assets, and the distribution to beneficiaries. You should consult with your attorney if you have any questions as to whether you are required to seek Court approval prior to taking a specific action.

3. COMMUNICATIONS

It is a good practice to communicate on a regular basis with the beneficiaries as to the status of the Estate proceedings, the Estate accountings and any investments decisions. If there is a co-fiduciary, you should have regular meetings with them and neither of you should act alone.

4. FIDUCIARY NOTICE

You should obtain IRS Form 56. The Form 56 should be filed with the Internal Revenue Service. This form will tell the IRS where to send tax information regarding the Estate.

5. TAX IDENTIFICATION NUMBER

You must obtain an IRS Form SS-4 "*Application for Employer Identification Number*" and file it with the Internal Revenue Service to obtain a tax identification number (TIN) for the Estate. The TIN should be given to banks, title companies, brokerage houses and others from which the Estate will receive income. Banks will require a TIN in order to open an estate bank account.

6. ESTATE BANK ACCOUNT

You should open a checking account as soon as you receive the Estate's TIN. You should deposit all income and you should pay all debts of the Estate, generally after Court approval, from this account. Whenever the checking account contains a substantial amount (usually more than \$20,000.00), you should invest the proceeds in interest-bearing accounts. If liquid assets are substantial, you should consult with a professional investment advisor regarding investments on behalf of the Estate. The Will and state law will determine what investment you are authorized to make as Personal Representative on behalf of the Estate.

7. ESTATE TAX RETURN

Unless the gross Estate is less than the exempt amount (\$1,500,000 as of January 1, 2004), a U.S. Estate Tax Return (Form 706) must be filed within nine (9) months of the date of death. All federal estate taxes owing, if any, must be paid within nine (9) months. You may want to engage the services of an accountant or tax attorney to file the U.S. Estate Tax Return with the IRS and with the State of Nevada, if necessary. In addition, if the decedent owned real property in another state, you need to check with the authorities in that state to determine if a return is required. If a return is required and you do not timely file the U.S. Estate Tax Return, penalties and interest will be imposed by the Internal Revenue Service.

8. INDIVIDUAL INCOME TAX RETURN OF DECEDENT

You may need to prepare and file the final year's income tax return for the decedent if the income of the decedent for the year up until the date of his or her death exceeds the applicable income threshold. You will also need to investigate whether all income tax returns for prior years have been filed and taxes paid. You can make a request of the IRS, at your local IRS office, for a report on the decedent's filing status. If required returns have not been filed, you must have them prepared and file them with the IRS.

9. ESTATE INCOME TAX RETURN

The Estate will be treated as a separate taxable entity for all income received after the date of death, which may require that you prepare and file an estate income tax return if the income of the Estate exceeds the applicable income threshold. You need to keep accurate books and records, both for this probate proceeding and for the filing of such returns. If you do not timely file any required income tax returns for an estate of a decedent, then penalties and interest will be imposed. After two years the Estate must file estimated income tax payments.

10. APPRAISALS

Certain Estate assets may need to be appraised, both for tax purposes as well as for the purpose of distributing assets from the Estate. You must obtain an appraisal for real property or any other assets whose value is not readily known. Appraisals of real property must be done by licensed appraisers. Other assets such as bank accounts, certificates of deposit, or marketable securities which can be easily valued at the date of death do not need to be appraised.

11. INVENTORY AND ACCOUNTINGS OF ESTATE

An inventory of the Estate's assets must be filed with the Court within sixty (60) days of the date of the order appointing you as Personal Representative. You must locate all assets and determine the value of those assets in order to complete such inventory. In addition, Nevada law requires that an accounting be submitted to the Court within six (6) months from appointment. Thereafter, annual accountings of the Estate to the Court for the Court's approval are required. Receipts and expenditures must be allocated between principal and income.

12. ANCILLARY PROBATE

If you determine that the decedent owned real property in another state, it may be necessary to commence what is called an “ancillary probate proceeding.” You should consult with your attorney to decide if an ancillary proceeding is necessary.

13. DEBTS/EXPENSES/CREDITORS

All amounts paid for the decedent's medical, funeral, burial expenses and all debts due but unpaid as of the date of death (i.e. utilities, charge accounts, etc.) must be accounted for.

All creditors of the decedent must be given notice of his/her death. Creditors who are readily ascertainable must be notified in writing while other creditors are entitled to receive notice by means of publication in the local newspaper. Creditor claims require Court approval. You should consult with your attorney prior to paying either creditor claims or administrative expenses.

The law in Nevada distinguishes between administrative expenses of the Estate and creditor claims. You may not reimburse yourself or others for administrative expenses other than funeral expenses and expenses of last illness without prior approval of the Court. Creditor claims are generally pre-death expenses and administrative expenses are generally post-death expenses.

Monthly payment for debts of the decedent which are secured by assets of the Estate may be paid without seeking prior Court approval if payment is necessary to preserve those assets for future sale or distribution and if those assets have some value beyond the debt owed. For example, in most instances mortgages for real property should be kept current to avoid foreclosure by the lender. Similarly, loans secured by automobiles, RV's or other vehicles should be paid unless and until it is determined that the asset has no value to the Estate and the vehicle can be returned to the lender without loss to the Estate. In addition, small claims (less than \$500) may be paid without seeking Court approval in certain circumstances. Once again, it is impossible to foresee every situation, and you should consult with your attorney before you take any action which affects an asset of the Estate.

14. INSOLVENT ESTATES

In some estates the claims filed by creditors may be greater than the value of the assets of the Estate. In such instances, the law sets forth an order of priority for the payment of the claims. For example, administrative costs and fees and spousal or family allowances, if any, may take precedence over other claims. Similarly, taxes may have a priority claim over other creditors. It is possible in some circumstances for you, as Personal Representative, to have personal liability for such claims if you fail to make distribution in the order required by Nevada law or federal tax statutes. You should consult an attorney or tax advisor in such circumstances.

15. MAINTAIN AND SECURE ASSETS

You also have an obligation to maintain the value of all assets of the Estate. For this reason, utilities (lights, heat, sewer, etc.) for a residence or commercial property should be paid. In addition, any real property must be secured and maintained. Any insurance in place should be continued or if none exists, you should obtain appropriate insurance coverage. Any vehicles should be properly stored and secured. They cannot be driven or used in any other manner. Personal property items such as jewelry, coins, guns, antique furniture or other items of value should be stored and secured from theft or loss. Insurance coverage may also be appropriate for these assets.

16. CANCELLATION OF CERTAIN ITEMS

All credit cards and charge accounts in the decedent's name should be cancelled and you should keep copies of all correspondence. Also, it may be required that Social Security checks and some pension checks should be returned with deceased written across the checks. You should notify the U.S. Postal Service that all mail for the decedent should be delivered to your address. The Post Office may require a copy of the Court order appointing you and the Letters issued to you.

17. PAYMENT OF FEES AND COSTS

Pursuant to statute, all attorneys' fees and costs must be approved by the Court prior to payment. If you engage an attorney, you should insist on a written engagement letter which sets forth the billing rate of the attorney, an estimate of fees, and how costs will be billed. You may receive commissions for serving as a Personal Representative pursuant to Nevada statute or as provided under the Will. You may also waive such commissions. If compensation is provided under the Will, you are required to decide within sixty (60) days after appointment between statutory commissions and the compensation provided by the Will. Any commissions accepted by you must be approved by the Court prior to payment and are income to you under the Internal Revenue Code.

18. DILIGENCE

You are required to complete the probate process within a reasonable time. If no federal estate tax return is required, you must close the Estate within six (6) months, or report to Court why this has not occurred. If a federal estate tax return is required, you must close the Estate within fifteen (15) months or report to the Court why the Estate has not been closed.

19. DISTRIBUTING THE ESTATE/DISCHARGE

For any estates required to file an Estate Tax Return, final distribution of the Estate must await the filing of that return and the payment of any tax due, usually nine (9) months after the date of death. Assuming this task has been accomplished, or when no return is required, a final account and a request for distribution must be filed with the Court. Normally, payment of creditors must await this order, but there are instances when creditors may be paid earlier, with

Court approval. Any final distribution should be accompanied by a receipt and voucher which the creditor or beneficiary should sign and return to you.

After you have filed all tax returns, paid all appropriate creditors and distributed the Estate in accordance with the distribution order signed by the Court, it is in your interest to go back to the Court in a final step to seek the Court's Order of Discharge. This gives you a formal release and discharge from all liability that might be incurred later, and exonerates you from further liability.

ACKNOWLEDGMENT

I have read the foregoing and received a copy of these Instructions.

Print Personal Representative name

Personal Representative signature

Address:

Date:

