MCKARCHER LAW
PROFESSIONAL LIMITED LIABILITY COMPANY
537 6th Street • Clarkston WA 99403
(509) 758-3345 • (509) 758-3314 (fax)

TERMS AND CONDITIONS

Non-Entity Clients

Thank you for placing your trust and your business with our firm. This document outlines the terms and conditions of being a client of our firm.

First, it covers the terms and conditions applicable to all clients generally.

Second, there are four sections with terms and conditions applicable to specific matter types, only one of which may be applicable to you presently (but others of which you may wish to read about even just for education).

You may click the hyperlinks below to navigate through the document if you wish.

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Matter-Specific Terms & Conditions

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- Will-Based Estate Planning
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At any time, you may request a hard copy of any document related to your engagement with us. For example, you may sign your Engagement Agreement in ink and return it to our office, if you prefer not to sign electronically. Or, if you electronically sign your Engagement Agreement, you may ask us to print and send you a hard copy.

In these documents, "you" and "your" means the "Client(s)" listed on your Engagement Agreement and "we," "us," and "our" means McKarcher Law PLLC, a Washington professional limited liability company.

Scope of Engagement

You are engaging us to represent you with respect to the matter described as your "Matter Description." We are not agreeing to represent you in any litigation. You and we may agree to expand the scope of our firm's engagement and representation in a separate agreement, including one formed by email.

The terms outlined in this document apply to all matters on which you engage us. We may modify these general terms and conditions over time. If we do, we will make best efforts to notify you of any changes by posting them on our website and emailing you so that you may review them. At any time, you may call our office for a copy of the then-current terms and conditions of working with our firm.

No Additional Clients

Unless we separately agree in writing formally to represent other persons, we do not represent anyone other than you. You may not create an attorney-client representation with our firm by telling other persons that our firm is their attorney.

For example, if we represent you as trustee or personal representative in a trust or probate administration matter, we do not also represent the beneficiaries, devisees, or anyone else. Or, if we represent you for estate planning, we do not also represent your family members unless we separately agree to do so in writing for a separately stated purpose – such as later when they become your agent or co-trustee and request our representation of them in that capacity.

Please discuss with us first if you wish for us to represent other persons or entities.

Privilege & Confidence

All communication between you and us is protected by the attorney-client privilege, if (and only if) you and we keep it confidential. This means that anything that is communicated to any of our lawyers or staff must be held confidential by us, unless you give us express or implied permission to disclose it on your behalf.

You and we generally cannot be forced to testify regarding the contents of privileged communication. However, if you disclose the content of our discussions with any other third party, including posting otherwise confidential communications on any social media site, the statements will no longer be confidential or protected as attorney-client communications.

It is usually beneficial to you to have us discuss and share information with your other advisors (e.g., financial advisors, CPAs, trustees, insurance agents, bankers, and others you identify to us). By signing your Engagement Agreement, you authorize us to share information that is reasonably required to work with your other advisors for your benefit. If you have any concern about this issue, please call or email us to clarify that concern.

If you communicate with us or store communications from us on a computer or e-mail account not owned by you individually, those communications may lose their attorney-client privilege. Please do not communicate with us (or store communications to or from us) on computers, telephones, and other electronic transmission devices owned by other people, including public/library computers and computers owned by your employer(s). It is your responsibility to confirm whether your employer has promised to keep your work e-mail private to you; in general, we advise clients not to use work email except when communicating with us in their capacity as an employee of their employer. (For example, if two or more persons own a business, each owner is not necessarily guaranteed confidentiality in his or her e-mail communications. Even a single business owner may find that a future owner or fiduciary may have access to business e-mail communications.)

Joint Representations: "No secrets"

For non-single clients (e.g., spouses, unmarried couples, business partners): You are forming a joint representation with our firm. If a dispute arises between or among you during our representation, we cannot represent fewer than all of you in that dispute. In addition, we cannot and will not agree to maintain material confidences between or among you.

Therefore, if one of you discloses to us material information relevant to the matter on which we represent you, and that we believe the others of you should know, we have an ethical duty to, and will in an appropriate form, disclose that information to the others of you. For example, therefore, do not send us "confidential" communications that you do not want the others of you to see.

McKarcher Law PLLC as Fiduciary

If at any time we agree to serve as a fiduciary for you – such as your agent under a property power of attorney, or your trustee or personal representative – you acknowledge that we have discussed and disclosed to you that (1) you are not required or expected to hire or choose our firm as a fiduciary in order for us to agree to advise you on your estate planning matter; (2) we can provide other options for professional fiduciary services; (3) we will at any time assist you in replacing our firm's name with another person's or entity's name in your documents to remove our nomination as your fiduciary; and (4) we charge flat fees based on the nature and quantity of work undertaken for our services as a fiduciary – and not percentage-based annual fees based on the value of the assets we manage. (This latter point is the primary reason we have found clients reluctant to use more professional fiduciary services. It is a primary reason we opted to begin offering fiduciary services several years ago, particularly where professional fiduciary services are two or more hours away from the Lewiston-Clarkston Valley.)

You also acknowledge and agree that we may at any time resign and appoint (or obtain the appointment of) a replacement fiduciary in a manner consistent with applicable law and with our duty of care and loyalty as your fiduciary. If you ever have any question whatsoever about these issues, you understand you are welcome to call us to ask any question you have, or to discuss alternative arrangements, even if you have previously nominated us as your fiduciary.

Flat, Initial, and Subsequent Fees

Your Engagement Agreement indicates the flat or initial fee for your matter. The last section in these general terms and conditions below provides a detailed explanation of how and why we charge non-hourly fees.

We begin most estate planning and administration matters with an estimated flat fee, approximately 80% of which we collect up front and the remainder of which we collect after signing the estate plan or obtaining Letters Testamentary and an estate tax identification number in an estate matter. (The vast majority of our work is frontloaded in each instance.)

For other matters – or when an estate planning or administration matter takes an unexpected twist – we will generally quote an initial flat fee for the first set of known objectives or advice, and for simply getting up-to-speed on the situation we are assisting with (which, again, is ordinarily frontloaded).

Generally, after that initial set of objectives or advice is completed, we will respond to the matter as it demands and bill you periodically for the work undertaken and advice rendered consistent with the non-hourly billing guidelines discussed below. For example, we may provide a flat fee for the next expected set of objectives or advice to be given as a matter progresses – e.g., if we are representing you in an estate proceeding or a negotiated settlement or difficult business issue. Other times, matters proceed extremely swiftly and require significant resources of our lawyers and staff; or they linger before suddenly taking a very different course that cannot be "estimated." In these situations, you will know we are working on your behalf, and, if you become concerned about accruing fees or expenses, you may ask us to estimate our accruing or expected fees at any time.)

Each flat and initial fee payment is an earned fee, not an advance retainer or deposit; but in rare occasions you may be entitled to a refund for some unearned portion if the matter does not proceed as expected for the flat fee you paid.

Each of our matter-specific sections below addresses typical fee variations specific to that type of matter.

Expenses

In addition to our fees, we bill you for specific cash disbursements and out of pocket expenses we incur on your behalf, such as court filing fees, document recording fees, excise tax affidavit fees, remote online notarization fees, private investigator fees, other professionals' fees (such as if we retain and pay an attorney to draft a real property deed in another state), FedEx or substantial postage fees, unusual (and rare) expenses

to travel on your behalf outside of our region, and other such "hard costs." Such expenses are rarely incurred by surprise; you would know by the nature of our activity that we are incurring such costs before we do so. We do not upcharge or add a percentage to these "hard costs."

We do not charge for telephone or fax expenses. We generally only charge clients for postage/shipping, photocopies, and color photocopies if they are more than incidental. For example, we may charge photocopy charges for a large hard copy mailing to several parties in a probate administration matter.

Each of our matter-specific sections below addresses typical expenses you might expect to incur for that type of matter.

Payments

Invoices are due upon receipt (or as otherwise provided in your Engagement Letter). Our preferred payment method is by ACH transfer from your bank account via a secure, encrypted online payment portal hosted by Stax Payments. If you pay once via this method, we can debit your account for future payments after you have reviewed an invoice and authorized us in writing (such as by email) to process the payment.

You may also pay by paper (or your bank's "bill pay") check mailed or delivered to our office. (If you pay us by paper check, you agree that it may be converted to an electronic check and paid by ACH transfer.)

If you prefer to pay any invoice by credit card, please call or stop by our office, or email us at team3345@mckarcherlaw.com. We will add a fee to the payment amount before charging your card. The fees are subject to change but are presently 2.5% if you bring your card to our office to "swipe" physically; 2.99% if you pay online via a credit card payment link that you request and that we email or text to you; and 3.5% if you call us and we manually enter your credit card number into our payment system. (These are the precise fees we are charged. We pay the above fee on the additional amount charged to cover the fee applied to your invoice amount.)

Throughout our relationship, if you have any questions about any fee or expense, we ask that you please call us immediately so that we can resolve your question promptly and ensure it does not impede our relationship. (We ask clients not to email us other than simple questions about fees and expenses. We find that we can answer questions and allay concerns more directly by telephone or a video meeting.)

Cancelling or Rescheduling Appointments

If you need to reschedule a meeting, please contact us as soon as possible beforehand. We will always do the same if we must reschedule. We offer remote/virtual video meetings (via Zoom, Microsoft Teams, or Google Meet), and we can move an in-person meeting to a virtual meeting with sufficient notice.

We undertake significant advance preparation for any in-person (ink-signed) or online (electronic) document-signing meeting (e.g., signing your estate plan, or several documents like real property deeds). Although we understand that the unexpected happens, we do not bear the risk of that, and we thus charge a $250.00 fee for document-signing meetings that are cancelled or rescheduled by you within two business days of your appointment (based on the start time of the meeting). For example, the fee would apply for any cancellation or rescheduling after 10 a.m. on the Thursday before a 10 a.m. Monday document-signing meeting. This fee does not apply for one-off documents that we invite you to stop by our office to sign at your convenience.

Client Trust (IOLTA) Deposits

If at any time you make or authorize a deposit to our firm's client trust account as a retainer for the payment of our fees and expenses on your matter, the terms below apply to those deposits.

At times our clients or related parties – usually related to an estate or trust administration matter, or an unusual or "riskier" representation we agree to undertake – deposit funds to our client trust account, managed pursuant to the strict Washington State Bar Association ethical rules applicable to such "IOLTA"

("interest on lawyer trust accounts") checking accounts. (FYI, lawyers' client trust accounts are so named in the U.S. because the minimal amount of interest they earn is not retained by the law firm or allocated among the clients whose funds are on deposit. Rather, under state law, the interest is transferred automatically by banks throughout the various states to accounts, typically supervised by the state supreme court, that support causes such as indigent legal aid.)

If we hold funds in our IOLTA account, the property held remains the owner's (usually your or an estate's) property. Although the funds may function as "security" for the payment of our firm's fees, the funds are not our firm's property.

Payments may be made from the account such as to pay expenses on a client matter (such as court filing fees for a probate); to distribute the final balance of an estate or trust (e.g., it is sometimes convenient to close the estate's bank account to stop the accrual of interest or automatic debits); or to pay our firm's invoice on your matter after we have first sent you an invoice.

If the funds are held for a matter for which we are engaged and accruing fees and expenses, then our firm's fees shall be earned upon performance of our services, and any expenses shall be paid from the funds on deposit or shall be reimbursable to us upon our incurrence of the expense.

We may at any time request that you deposit additional funds in our client trust account so that we maintain what is called an "evergreen retainer" to secure the payment of our fees and expenses.

Your invoices will indicate the inflows to, outflows from, and the balance of your funds in our client trust account; and you may at any time request a ledger of all transactions for any date range you request. If at the conclusion of your matter there is a balance remaining in our client trust account after setoff of accrued fees and expenses, we will return that balance to you promptly.

Non-Hourly Fees: Why We Are Different, and What Guides Us

We operate differently from other law firms, and we want you to know that up front. If you already know this, or you trust that we will bill you fairly based on all the factors you will find bulleted below (not just on a straight hourly basis, as you may be accustomed to), then you may wish to skip this section.

We strive to provide flat fees for most estate planning and administration matters once we know you and your needs and desires. In most cases, we do not need to charge additional fees. But we do when something uncontemplated or unusual arises, you authorize the action we take, and we invest extra time to address the issue. When this happens, you are welcome to ask us for an expected cost if cost is a concern in that situation.

Our initial or flat fees may be higher than other law firms in our region. We do not attempt to compete on price. If you are evaluating your options, we encourage you to ask key questions (which we discuss in our prospective client videos on our website or could share with you) of any law firm, online service, financial advisory firm, or other third party that charges lower fees.

Why?

We are specialist practitioners in estate planning and administration. We do not also practice in family law, criminal law, civil litigation, or myriad other practice areas as many other law firms do.

According to malpractice insurers who evaluate such things and discourage lawyers from "dabbling" in wills and trusts, the law of estate planning and administration is among the most complex and nuanced (and thus "risky") areas of law in America. It requires understanding of and comfort with several areas of law and requires intention and precision to be done correctly. There are many hidden traps in the law of estates.

This is partly why we want to be our clients' first call for anything on which they need advice: legal, tax, real estate, asset purchases, "children issues," you name it. One never knows how the most tangential thing might affect (or even be resolved by) an "estate planning" strategy executed on your behalf.

Our established clients come to understand and know all that we do for our clients. We occasionally assist established clients with real property, tax, and business matters that do not require the oversight of lawyers who are experts in the given discipline. (When that oversight is needed, we refer such complicated matters to experts in those disciplines.)

We may not personally handle each issue on which you contact us, but we have a professional network that can assist us in reaching experts around the world quicker than our clients can.

Sometimes we are quiet, behind-the-scenes, high-level "fixers" for clients in difficult situations (sometimes unrelated to an estate proceeding, such as a high-stakes criminal or civil matter). We may work very strategically on a complicated foreign estate, hiring and coordinating overseas counsel. (Sweden was our latest example.)

Far more often, of course, we do this strategic work for local clients and matters. Whether we are advising parties in times of peace, grief, or trauma, our aim is to negotiate patiently alongside our clients toward peaceful resolution without court-based disputes.

We do not litigate in court, for example, but we have firms who will work with us to litigate, because they know we will manage much of the background strategy and even substantive drafting work, allowing them to focus on process, rules, timelines, discovery (depositions, interrogatories, document production), and appearing in court for argument or trial.

These are just examples for context. For most clients, we help them gain a valuable education in estates law, death taxation, and robust post-death asset protection and income tax planning for beneficiaries. Our team drafts advanced, best-in-class documents, and we are elated when clients leave our office knowing that they have robust protections in place.

But none of this – the simple, the complex, and everything in between – happens by filling out template forms or looking up simple statutes and then preparing standard pleadings or documents that take "x" hours to complete.

Thus, our clients are rarely paying us just for documents or time spent on a matter: they are paying us for our expertise, experience, strategy, and manner of handling critical and/or sensitive legal issues. The time our team estimates spending on a matter is only one factor in estimating or setting our fees.

Our experience confirms the quality of our documents time and again. We say "best in class" because our documents are the result of a nationwide consortium of experts working narrowly and deeply in estate planning and administration, meticulously customized by our team to your facts and circumstances, as any effective legal document must be. We are grateful to be able to learn and share in this library of knowledge benefitting Americans nationwide.

Ultimately, this is all intended to help you understand why we do not commit hours each month to keeping perfect time records in 6-minute increments so that we can provide clients with line-item bills as we did in years past, before our law firm's workload and sophistication increased to a pace in which that approach has become unsustainable.

Simply put, we would rather help more people more quickly than spend hours a week tracking 6-minute increments of time to multiply by some arbitrary hourly rate that, in some cases, is massively underpriced for the value we provide in a short time, and that, in other cases, is massively overpriced for a simple solution we can provide at no additional charge to a client who just paid us a substantial flat fee to have us advise and counsel them strategically on their estate plan.

Our fees, then, are the result of value, expertise, urgency, and, in particular, the following factors that have been lawyers' guidelines for decades. This list is from what we call "Rule 1.5" in the rules of professional conduct that guide lawyers in Washington and Idaho.

We believe clients should know these factors, and we find that many clients are surprised to know that only one of these has anything to do with "time and labor required," which is only one of three factors comprising only one of nine factors:

1) the time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly;

2) the likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the lawyer;

3) the fee customarily charged in the locality for similar legal services;

4) the amount involved and the results obtained;

5) the time limitations imposed by the client or by the circumstances;

6) the nature and length of the professional relationship with the client;

7) the experience, reputation, and ability of the lawyer or lawyers performing the services;

8) whether the fee is fixed or contingent; and

9) the terms of the fee agreement between the lawyer and the client, including whether the fee agreement or confirming writing demonstrates that the client had received a reasonable and fair disclosure of material elements of the fee agreement and of the lawyer's billing practices.

You may be unsurprised to learn that we believe factor #3 is the least relevant to our fees. You can absolutely obtain a basic will package for around $1,000 in our region – and half that from online "form provider" services. Our initial and flat fees are higher – usually in the $5,000 to $9,000 range. (If your fee reaches five figures, you have a very complex estate or difficult issue. We would be explaining to you in such a case why your fees are in that range.)

But we believe that the counsel provided at these rates is not similar to the counsel we provide to our clients. (Check any online resource and note in the fine print that they expressly disclaim advice, counsel, and strategy. They sell exclusively forms. That is the only way they do not engage in the "unauthorized practice of law." Form-filling services do not, like lawyers do, apply the law to a client's specific facts to advise, counsel, and strategize.)

Our higher fees are matched with higher standards for providing insight, advice, strategy, tax planning, asset protection planning, care, and handholding to our clients. (This is especially true regarding funding of any trust you establish, without which the entire purpose of a trust is all too often entirely lost.)

Consider, however, that if you have investment funds with one of the seasoned financial advisors in our region – or even with one who is doing very little for you – you are paying them in most cases between 0.75% and 1.25% annually the value of your invested funds. Each year, win or lose, activity or no activity.

A client with $2,000,000 invested pays around $20,000 per year in fees to their financial advisor and brokerage firm.

In comparison, we may charge that client several thousand dollars one time to protect 100% of that $2,000,000, so that it passes with the lowest tax exposure and at the least risk of being "lost" to third parties.

Our fees, then, come down to our "why" for existing: our very genuine desire to make our living by helping our communities' families avoid disputes, obtain finality with the least possible "trailing risk," not incur avoidable taxes, and achieve asset protection for our clients' beneficiaries.

EXISTING ESTATE PLAN REVIEW

This section applies if you have retained us initially only to review and analyze the estate planning documents you provide to us (or have us obtain from another law firm) with your completed "Estate Planning Questionnaire," and then to provide you our analysis of those documents and any issues we spot and options for addressing those issues.

The initial fee shown on your Engagement Agreement is our minimum fee for the approximately two hours of time that we will spend doing this work for you and reporting back to you in writing or a brief phone call. If you wish to hire us for resolving any issues that appear in our review of your estate planning documents, we can extend the scope of our representation on terms and fees we provide to you at that time.

Some are surprised at our request for our new clients to complete our comprehensive "Estate Planning Questionnaire" for what they believe is a "simple" estate plan review. This is understandable, but, with respect, for several reasons our request is not "negotiable."

We are a specialist firm practicing narrowly and deeply only in estate planning and administration. We develop close relationships with our clients and serve as a first-in-line advisor for our clients and often their families and/or businesses, even if their issue requires referral to other specialist counsel.

At this point in our firm's evolution, we cannot advise clients accurately and consistent with our ethical obligations without the "full picture" of their current family (who are, for example, their heirs-at-law who have certain legal rights even if they are disinherited or estranged), assets, liabilities, estate tax exposure, real estate holdings (which, for example, expose clients to multiple probates they may not realize), and other issues.

We simply wish to give our clients the most thorough and accurate analysis we can. This is why we require our confidential "Estate Planning Questionnaire" of all new clients who wish to work with our firm.

If this is a sticking point for you, then you may wish to look for other counsel before paying our minimum fee for reviewing your existing estate plan.

REVOCABLE LIVING TRUST-BASED ESTATE PLANNING

Our fee for designing, preparing, drafting, signing, and assisting you with funding your revocable living trust is shown in your Engagement Agreement. This fee includes as much as we can reasonably predict about your estate planning matter based on what we currently know and what we have discussed about your assets and circumstances, including the following:

- initial client meeting with full asset review and initial plan design;
- final plan design meeting, at which we will outline all your estate planning documents listed below and discuss key choices and options;
- signing meeting to review and sign estate planning documents, after which we will detail for you the steps to take to fund your trust (for those assets that we are not ourselves transferring to your trust);
- communications (phone, fax, email) with advisors (CPA, financial advisor, etc.) necessary to create and initially fund your estate plan;
- designing, drafting, signing, and assisting you with funding your **revocable living trust**, including trust provisions relevant to estate tax planning, asset protection for your beneficiaries (e.g., a beneficiary's addiction, disability, Medicaid qualification); and many other valuable protections we discuss in our work together;
- designing, drafting, signing, and explaining the use of your **pour-over wills**, **assignments of personal property**, **tangible property memoranda**, **powers of attorney for property** and **health care**, **HIPAA authorizations**, **health care directives** (by which you can choose if you want to be kept alive by artificial nutrition and hydration), **real property deeds**, **custom beneficiary designations** for retirement accounts and life insurance, and other **asset transfer documents** relevant to the assets identified to-date;
- originals and photocopies of all documents, including separately labeled envelopes for easy reference and use of the various documents needed during lifetime or after death;
- advice regarding initial transfers and funding of your trust (based on the assets identified to the date of this letter); and
- drafting and delivery of a customized "**trust letter**" outlining the key steps taken and key points regarding keeping your assets titled to your trust, for easy reference throughout your life.

As described above in our general terms and conditions regarding Expenses, we do not charge for brief occasional phone calls or emails during and related to this process, or for photocopies, postage, or courier fees normally incurred in such a matter; but we will bill you for any cash disbursements and out of pocket expenses we incur, such as court filing fees, deed recording fees, and excise tax affidavit filing fees.

The key expenses in this category relate to real property deeds transferring your property to your trust (or community property agreements or revocations of the same). These usually cost about $25 to electronically record in Idaho and about $335 to record in Washington (including a $10 excise tax affidavit fee). When possible, we include multiple parcels on each deed to avoid having to pay multiple fees.

If you have property outside of Washington or Idaho, the rules of ethics may require that we retain or consult an attorney in the state in which your property is located to draft and record deeds in that state. We would only undertake that retention and additional cost after communicating with you to confirm the

retention and any estimate that attorney provides. These fees are usually only a few hundred dollars apiece. We do not upcharge them or collect a portion of the other professional's fee.

Additional fees in estate planning matters generally accrue in the following situations:

- you have significant additional revisions beyond simple changes or edits;
- you require more than one additional meeting, or multiple lengthy phone calls, to discuss a proposed draft or solution;
- you pose extensive questions to which you request written answers during the planning process; and/or
- funding becomes an extensive and time-consuming process because your financial advisor's firm is unfamiliar with us or with advanced estate planning that involves, for example, "custom beneficiary designations" for taxable retirement accounts, and you naturally wish for us to work with them to "get it right."

Accordingly, you will know when significant additional work is happening. We will proceed as described in our general terms and conditions above regarding Flat, Initial, and Subsequent Fees.

The purpose is not to discourage any of these things, but only to ensure that you understand a flat estimated fee is not intended to cover several hours of work beyond the upper range of time spent on an ordinary matter of the type for which we have provided an estimated flat fee.

For example, the last bullet point above can present a difficult issue. Our custom beneficiary designations, particularly for taxable retirement accounts, are very carefully designed for each client to permit post-death income- and estate-tax planning for your beneficiaries. Some advisory firms dislike the additional work or review required to implement these types of advanced designations. Some even insist "it cannot be done," even though it has been done hundreds of times with other firms. If this concerns you, please ask us early in your work with us about your financial advisory firm and we will "gauge this" in an elegant and professional way with your advisor.

WILL-BASED ESTATE PLANNING

Our fee for designing, preparing, drafting, and signing your estate planning documents is shown in your Engagement Agreement. This fee includes as much as we can reasonably predict about your estate planning matter based on what we currently know and what we have discussed about your assets and circumstances, including the following:

- initial client meeting with full asset review and initial plan design;
- final plan design meeting, at which we will outline all your estate planning documents listed below and discuss key choices and options
- signing meeting to review and sign estate planning documents, after which we will detail for you any follow-up steps required (such as implementing any custom retirement plan or life insurance designations or changes to bank accounts);
- communications (phone, fax, email) with advisors (CPA, financial advisor, etc.) necessary to create your estate plan;
- designing, drafting, and signing your wills and (if appropriate) community property agreement, including will provisions relevant to estate tax planning, asset protection for your beneficiaries (e.g., a beneficiary's addiction, disability, Medicaid qualification); and many other valuable protections we have discussed or will discuss in our work together;
- designing, drafting, signing, and explaining the use of your tangible property memoranda, powers of attorney for property and health care, HIPAA authorizations, health care directives (by which you can choose if you want to be kept alive by artificial nutrition and hydration), custom retirement account or life insurance beneficiary designations, and other documents relevant to the assets identified to-date; and
- originals and photocopies of all documents, including separately labeled envelopes for easy reference and use of the various documents needed during lifetime or after death.

As described above in our general terms and conditions regarding Expenses, we do not charge for brief occasional phone calls or emails during and related to this process, or for photocopies, postage, or courier fees normally incurred in such a matter; but we will bill you for any cash disbursements and out of pocket expenses we incur, such as court filing fees, deed recording fees, and excise tax affidavit filing fees.

The key expenses in this category relate to real property deeds and community property agreements (or revocations of the same). These usually cost about $25 to electronically record in Idaho and about $335 to record in Washington.

Additional fees in estate planning matters generally accrue in the following situations:

- you have significant additional revisions beyond simple changes or edits;
- you require more than one additional meeting, or multiple lengthy phone calls, to discuss a proposed draft or solution;
- you pose extensive questions to which you request written answers during the planning process;
- your financial advisor's firm is unfamiliar with us or with advanced estate planning that involves, for example, "custom beneficiary designations" for taxable retirement accounts, and you naturally wish for us to work with them to "get it right."

Accordingly, you will know when significant additional work is happening. We will proceed as described in our general terms and conditions above regarding Flat, Initial, and Subsequent Fees.

The purpose is not to discourage any of these things, but only to ensure that you understand a flat estimated fee is not intended to cover several hours of work beyond the upper range of time spent on an ordinary matter of the type for which we have provided an estimated flat fee.

For example, the last bullet point above can present a difficult issue. Our custom beneficiary designations, particularly for taxable retirement accounts, are very carefully designed for each client to permit post-death income- and estate-tax planning for your beneficiaries. Some advisory firms dislike the additional work or review required to implement these types of advanced designations. Some even insist "it cannot be done," even though it has been done hundreds of times with other firms. If this concerns you, please ask us early in your work with us about your financial advisory firm and we will "gauge this" in an elegant and professional way with your advisor.

ESTATE ADMINISTRATION

Serving as a fiduciary for the administration of a decedent's estate – whether as trustee, personal representative, or both – requires time, patience, meticulousness, and imposes legal (or "fiduciary") duties of loyalty (to the decedent's beneficiaries and sometimes creditors) and care (to administer the estate as a reasonable person would who is dealing their own assets). Innocent actions (or omissions to act) can create risk and legal liability in ways that most people would not consider obvious.

For that reason – and because we try to communicate as many details as possible to our clients who like them – the following information is detailed. Please review it and call us with any questions before you sign and return this agreement to us. Just because you are nominated to be someone's fiduciary does not require you to accept the nomination.

We approach estate administration as one of the most important legal situations you will ever handle. We view our role as advising and even teaching our clients; and they invariably appreciate this approach. We do not represent fiduciaries who simply want us to obtain papers for them and then to be left alone to do whatever they wish without advice from us. You will not wish to work with our firm if that is your intended approach to your role. We are not required to take any representation, and we decline to take estate administration representations unless the client wishes to serve conscientiously and with at least brief, high-level advice on key issues. In our experience, anything else leads to avoidable errors that end up costing far more time and money to resolve than it would have cost to simply do it correctly and with counsel in the first place.

We will not control you; but we will expect you to observe relevant laws, customs, and reasonable advice, after which you may act (or omit to act) within a lawful range of discretion. Final decisions are yours, of course, and you will usually have a wide range of discretion on many matters. It will often be acceptable for you to make choices that benefit you as a beneficiary, such as when it also benefits other beneficiaries generally or is the most reasonable decision regardless of its benefit to you. We will guide you in these decisions if you alert us to them arising.

To this end, we counsel our fiduciary clients in several stages over the course of an estate administration. We do not expect you to memorize and understand everything at once at the beginning. When each phase of the process arrives, we will happily guide you through it then.

As noted above, we represent only you; we do not also represent the beneficiaries, devisees, or anyone else. In addition, we represent you only in your capacity as trustee, personal representative, or (if it does not create a likely conflict of interest) both. Thus, if you are also a beneficiary, we do not represent you in your capacity as a beneficiary, just as we do not represent any other individual beneficiary. If we can assist in ways that benefit all beneficiaries equally – such as outlining the basic factual details of the taxation of some asset the beneficiaries are receiving – then we will of course do so as our judgment allows. (If beneficiaries prove "friendly" throughout the administration, this proves easier.)

Rather, at the beginning, we overview the entire process at a high level and determine the best strategy and approach to the estate administration. We then either prepare and file papers with a court or prepare papers to initiate a private trust administration. Depending on the complexity and people involved (relatives, beneficiaries, etc.), this step alone can take days, weeks, or even months – and the timeframe is sometimes out of your or our control. Sometimes the safest approach to protect you and the estate involves obtaining advance, written consent of each party with legal rights before filing court papers. If so, we will explain this strategy and why we recommend it.

However, a nearly universal concern of fiduciary clients at the beginning stage is how to pay expenses before you have access to the decedent's bank accounts or funds. (Unless you or someone cooperative is already a co-tenant or co-trustee on a bank account, it is usually necessary at minimum to wait for death

certificates to do nearly anything other than make cremation or burial arrangements and to plan briefly with our firm what you may want to consider in the interim.)

The most important thing to know is that any person who expends funds on reasonable estate administration expenses can be reimbursed by you once you are formally authorized to act (whether by a court in a non-trust administration, or by taking the steps necessary to accept a private trusteeship). Ideally, if you as nominated fiduciary have the financial means to do so, and you and we confirm in our discussions that the estate is solvent (has more assets than liabilities), then the simplest approach is simply to advance funds yourself (whether by cash, check, or credit card), retain receipts and invoices, and reimburse yourself immediately after accessing the estate's funds. Many creditors will not require immediate payment, especially if you have informed them of the decedent's passing, retained a law firm, and told them the firm that is advising you on the administration.

After you are authorized to act for the estate or trust, we will assist and advise you as you undertake the following general steps (some of which may not apply in your individual circumstances):

- providing required notices to beneficiaries, relatives, government authorities and agencies, and others;
- obtaining and explaining the use of a federal tax ID number (often called an "EIN" or "TIN") for the estate;
- publishing notice to unknown creditors to begin a four-month period of estate administration, during which creditors are identified and can submit claims against the decedent's estate;
- identifying known or "reasonably ascertainable" creditors of the decedent and providing them notice of the four-month deadline by which they must file any claims;
- identifying, collecting, preserving, valuing, and liquidating (to cash) or distributing (to beneficiaries) the decedent's assets (including preparation of real property deeds, if applicable);
- preparing a formal "inventory" of the assets if required or advisable;
- reviewing, approving, paying, negotiating, or rejecting creditor claims;
- maintaining records of expenses incurred, debts paid, income received, and other financial figures relevant to the administration (and preparing a formal "accounting" of the administration from the decedent's death until final distribution and closure);
- analyzing the necessity of any federal and/or state income tax returns for the decedent's final year of life and, separately, for the estate created after the decedent's death and administered by you, and advising you regarding these tax issues (or referring you to a CPA if necessary);
- analyzing the applicability of state and federal estate tax, and the filing of any estate tax returns that may be required;
- communications (phone, fax, email) with the decedent's and your advisors (CPA, financial advisor, etc.) to facilitate the above;
- advising you about questions you receive from third parties (relatives, beneficiaries, creditors, etc.), including whether you are required to answer those questions;
- advising you regarding recordkeeping (that is comprehensive but not overwhelming) during the administration and what to keep for the 7 to 10 years following its closure;

- ♦ evaluating and advising on options for closing the estate administration, whether formally with court hearings or informally with consent of all required parties; and
- ♦ communicating with you throughout the administration by telephone, email, in-person meetings, our secure client portal, Clio for Clients (website or smartphone app), and otherwise.

There is much variability in any estate administration. If it is court-based, other parties have rights that you and we can strategize about but not control. Even if not court-based initially, any administration is ultimately subject to a court's jurisdiction if you or others invoke it (although it is very rare in our cases). Therefore, at each turn, we believe in minimizing the risk of disputes and proceeding prudently by thinking "a few steps ahead" where warranted.

Our fee for advising you on as much of the above as we can estimate and predict based on what we know at this time is shown in your Engagement Agreement. This fee includes as much as we can reasonably predict about your matter based on what we currently know and what we have discussed about the decedent's assets, relatives, will or trust (if any), and any known special circumstances.

If any aspect of the matter becomes unusually time consuming or presents a difficult issue, or the administration of some asset requires more than our minimal involvement, you will know that significant additional work is happening. We will proceed as described in our general terms and conditions above regarding Flat, Initial, and Subsequent Fees.

In estate administration matters, this can most ordinarily happen when

- a third party creates complication during the proceeding, such as a beneficiary (or their lawyer) making repeated requests or requiring significant time and attention to prevent a court proceeding;
- administering a particular asset "takes on a life of its own" and requires significant effort or paperwork to resolve; and/or
- an outside tax preparer you hire is not deeply familiar with estate or trust income tax returns and requires significant "hand holding" or correction. (The latter is rare but does happen. If this concerns you, we have several experienced accounting firms with whom we can work to provide you the smoothest experience; and we receive no referral fees or similar incentives in these situations.)

As described above in our general terms and conditions regarding Expenses, we do not charge for brief occasional phone calls or emails during and related to this process, or for photocopies, postage, or courier fees normally incurred in such a matter; but we will bill you for any cash disbursements and out of pocket expenses we incur, such as court filing fees, newspaper publication costs, real property deed recording fees, and excise tax affidavit filing fees.

If the decedent has property outside of Washington or Idaho, the rules of ethics may require that we retain or consult an attorney in the state in which that property is located to advise on what is required by that state's laws to administer property in that state. This is nearly always related only to real property interests held in the decedent's individual name. We would only undertake that attorney's retention or incur additional cost after first communicating with you to confirm the retention and any estimate that attorney provides. These fees are usually only a few hundred dollars apiece. We do not upcharge them or collect a portion of the other professional's fee.