

INSTRUCTIONS FOR INVENTORY — TRUST

GENERAL: You are required by law to file an inventory with the Commissioner of Accounts within four months after the first date that any assets are received by you, unless (a) you are serving as a trustee under a will that waives your duty to file accounts with the Commissioner of Accounts, and (b) you have complied with the statutory requirements for waiver prior to the due date of the inventory. This inventory must include all of the real and personal estate under your supervision and control. You must report the assets as they existed on the date of their receipt by you, even though they have changed form or are not in existence on the date the inventory is prepared.

If you receive any other assets after you file your inventory, you must make an additional report to the Commissioner of Accounts by (i) filing an amended inventory showing all assets of the trust, (ii) by filing an additional inventory showing only the after-received assets, or (iii) with the permission of the Commissioner of Accounts, by showing the after-received assets on the trust's next regular accounting. The filing must be made, or the permission of the Commissioner of Accounts must be obtained, within four months after you receive the assets.

VALUATION: The value to be placed on assets listed on the inventory is their fair market value as of the date of receipt, and not the date the inventory is prepared. When available, you should use exact dollar and cent values; do not round off specific values to a higher or lower amount. Real estate may be listed at its value as assessed for local real estate taxes. For all other property, fair market value is normally "the price at which the property would change hands between a willing buyer and a willing seller in the retail market, with neither one being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts." An explanation must be attached if any other method is used to value an asset. Do not reduce the gross value of property by the amount of any outstanding mortgage, loan, lien, or other claim against the property. Special valuation rules that apply to certain assets are mentioned later. If you have a question about determining the fair market value of any asset you should seek assistance from an accountant, a lawyer, any other appropriate professional, or the Commissioner of Accounts. Any reasonable expenses incurred in determining the values to place on estate assets, such as appraisals, are allowable as an administrative cost of the estate.

Part 1. Trust assets excluding real estate under your supervision and control. Assets should be clearly identified, listed in reasonable detail, and valued as of the date of receipt (not the date the inventory is prepared). Groupings of similar property, such as personal effects and household property, may be listed together; however, if any article is specifically mentioned in a will or is worth over \$500 it should be listed separately. Articles that have a higher value as a collection (stamps, coins, or other collectibles) should be valued as a collection and not individually. Motor vehicles and water craft should include make, model and year. Checking, savings, and other accounts or deposits should include the institution's name, type of account, account number, any accrued interest and any maturity date. Stocks and mutual funds, whether

held in certificate form, book account form or in a brokerage account, must be listed separately and should include company name, number of shares, and price per share. Bonds and promissory notes should include the issuer's name, face amount, interest rate, and maturity date for each item.

A sole proprietorship is not a separate entity like a partnership, corporation, or limited liability company, but rather an accumulation of assets that a person uses in a business, and thus the name of the proprietorship should be listed as a heading with the various personal assets which comprise it listed thereunder. (Proprietorship real estate should be listed in Parts 2, 3 or 4.) Leases of real estate are personal property to be listed on this part. If, in unusual circumstances, there are assets for which there is no recognized market value, such as some partnership interests, stock in closely held corporations or legal claims against others, they may be valued at \$1.00 or an estimate of value until better information is obtained.

GENERAL INSTRUCTIONS FOR REAL ESTATE: Include in the description of each piece of real estate (or partial interest therein) a street address, if there is one, and the city or county in which the real estate is located. If an appraisal has been obtained, use that value, otherwise use the value as assessed for local real estate taxes, and state which value is used. The real estate's gross value is not to be reduced by the amount of any outstanding mortgage, loan, lien, or other claim against the property. Interests in condominiums and cooperatives are real estate, but leases of real estate are personal property and should be listed on Part 1.

Part 2. Real estate in Virginia over which you have a power of sale. List in this part all of the Virginia real estate or partial interests in real estate over which you have a power of sale, whether that power of sale is specifically mentioned in the governing document or is included by the governing document's reference to Virginia Code § 64.2-105.

Part 3. Other real estate in Virginia. List in this part all of the trust's Virginia real estate or partial interests in real estate that are not listed in Part 2.

Part 4. Non-Virginia real estate. List in this part all of the trust's real estate or partial interests in real estate not situated in Virginia, whether or not the real estate is located in the United States.