

**EXHIBIT A**  
**ILLUSTRATION OF IMPACT OF LIFETIME GIFTS**  
**ON TOTAL ESTATE TAXES IN VIRGINIA – 2003**

	\$5 Million Estate		\$25 Million Estate	
	No Gifts	Gifts	No Gifts	Gifts
Total Current Assets	5,000,000	5,000,000	25,000,000	25,000,000
Proposed "Deathbed" Gifts		-3,000,000		-12,500,000
Gift Tax Payable - Sch K <sup>1</sup>		-925,000		-5,580,000
Gift Tax Payable - Sch G <sup>2</sup>		925,000		5,580,000
Federal Taxable Estate	5,000,000	2,000,000	25,000,000	12,500,000
Adjusted Taxable Gifts	0	3,000,000	0	12,500,000
Federal Tax Base	5,000,000	5,000,000	25,000,000	25,000,000
Federal Taxable Estate	5,000,000	2,000,000	25,000,000	12,500,000
Adjustment	-60,000	-60,000	-60,000	-60,000
Virginia Tax Base	4,940,000	1,940,000	24,940,000	12,440,000
Virginia Estate Tax	391,600	99,600	3,466,800	1,466,800
Gross Federal Estate Tax	2,250,800	2,250,800	12,050,800	12,050,800
Unified Credit	-345,800	-345,800	-345,800	-345,800
State Tax Credit - 50%	-195,800	-49,800	-1,733,400	-733,400
Federal Gift Tax Paid		-925,000		-5,580,000
Net Federal Estate Tax	1,709,200	930,200	9,971,600	5,391,600
Federal Gift Tax		925,000		5,580,000
Federal Estate Tax	1,709,200	930,200	9,971,600	5,391,600
Virginia Estate Tax	391,600	99,600	3,466,800	1,466,800
Total Tax	2,100,800	1,954,800	13,438,400	12,438,400
Net tax savings		146,000		1,000,000
Savings as % of gift - 2003		4.87%		8.00%
Savings as % of gift - 2004		7.30%		12.00%
Savings as % of gift - 2005		5.16%		8.48%
Savings as % of gift - 2006		5.26%		8.64%
Savings as % of gift - 2007 - 2009		5.35%		8.80%

<sup>1</sup> Unpaid gift taxes on gifts made by a decedent before death are deductible on the Federal Estate Tax Return as a debt of the decedent. Treas. Reg. § 20.2053-6(d).

<sup>2</sup> Gift taxes paid on any gift made within three (3) years before the donor's death increase the donor/decedent's gross estate for federal estate tax purposes. I.R.C. §2035(b).