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| Estate of: | Decedent's social security number |
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SCHEDULE A-1 – Section 2032A Valuation

Part 1. Type of election (Before making an election, see the checklist in the instructions):

- Protective election (Regulations section 20.2032A-8(b)).** Complete Part 2, line 1, and column A of lines 3 and 4. (see instructions)
- Regular election.** Complete all of Part 2 (including line 11, if applicable) and Part 3. (see instructions)

Before completing Schedule A-1, see the instructions for the information and documents that must be included to make a valid election.

The election is not valid unless the agreement (that is, *Part 3. Agreement to Special Valuation Under Section 2032A*):

- Is signed by each qualified heir with an interest in the specially valued property and
- Is attached to this return when it is filed.

Part 2. Notice of election (Regulations section 20.2032A-8(a)(3))

Note. All real property entered on lines 2 and 3 must also be entered on Schedules A, E, F, G, or H, as applicable.

- 1** Qualified use—check one Farm used for farming, or
 Trade or business other than farming

2 Real property used in a qualified use, passing to qualified heirs, and to be specially valued on this Form 706.

| A Schedule and item number from Form 706 | B Full value (without section 2032A(b)(3)(B) adjustment) | C Adjusted value (with section 2032A (b)(3)(B) adjustment) | D Value based on qualified use (without section 2032A(b)(3)(B) adjustment) |
|---|--|---|--|
| | | | |
| Totals | | | |

Attach a legal description of all property listed on line 2.
Attach copies of appraisals showing the column B values for all property listed on line 2.

3 Real property used in a qualified use, passing to qualified heirs, but not specially valued on this Form 706.

| A Schedule and item number from Form 706 | B Full value (without section 2032A(b)(3)(B) adjustment) | C Adjusted value (with section 2032A (b)(3)(B) adjustment) | D Value based on qualified use (without section 2032A(b)(3)(B) adjustment) |
|---|--|---|--|
| | | | |
| Totals | | | |

If you checked "Regular election," you must attach copies of appraisals showing the column B values for all property listed on line 3.
(continued on next page)

4 Personal property used in a qualified use and passing to qualified heirs.

| A Schedule and item number from Form 706 | B Adjusted value (with section 2032A(b)(3)(B) adjustment) | A (continued) Schedule and item number from Form 706 | B (continued) Adjusted value (with section 2032A(b)(3)(B) adjustment) |
|--|---|--|---|
| | | "Subtotal" from Col. B, below left | |
| | | | |
| Subtotal | | Total adjusted value | |

5 Enter the value of the total gross estate as adjusted under section 2032A(b)(3)(A). ► _____

6 Attach a description of the method used to determine the special value based on qualified use.

7 Did the decedent and/or a member of his or her family own all property listed on line 2 for at least 5 of the 8 years immediately preceding the date of the decedent's death? Yes No

8 Were there any periods during the 8-year period preceding the date of the decedent's death during which the decedent or a member of his or her family:

| Yes | No |
|-----|----|
| | |
| | |
| | |

- a** Did not own the property listed on line 2?
- b** Did not use the property listed on line 2 in a qualified use?
- c** Did not materially participate in the operation of the farm or other business within the meaning of section 2032A(e)(6)?

If you answered "Yes" to any of the above, attach a statement listing the periods. If applicable, describe whether the exceptions of sections 2032A(b)(4) or (5) are met.

9 Attach affidavits describing the activities constituting material participation and the identity and relationship to the decedent of the material participants.

10 Persons holding interests. Enter the requested information for each party who received any interest in the specially valued property. (Each of the qualified heirs receiving an interest in the property must sign the agreement, to be found on Part 3 of this Schedule A-1, and the agreement must be filed with this return.)

| | Name | Address | | |
|----------|--------------------|--------------------------|-------------------|-------------------|
| A | | | | |
| B | | | | |
| C | | | | |
| D | | | | |
| E | | | | |
| F | | | | |
| G | | | | |
| H | | | | |
| | Identifying number | Relationship to decedent | Fair market value | Special-use value |
| A | | | | |
| B | | | | |
| C | | | | |
| D | | | | |
| E | | | | |
| F | | | | |
| G | | | | |
| H | | | | |

You must attach a computation of the GST tax savings attributable to direct skips for each person listed above who is a skip person. (see instructions)

11 Woodlands election. Check here if you wish to make a Woodlands election as described in section 2032A(e)(13). Enter the schedule and item numbers from Form 706 of the property for which you are making this election ► _____

Attach a statement explaining why you are entitled to make this election. The IRS may issue regulations that require more information to substantiate this election. You will be notified by the IRS if you must supply further information.

Part 3. Agreement to Special Valuation Under Section 2032A

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|-------------------|--|
| Estate of: | Decedent's social security number |
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There cannot be a valid election unless:

- The agreement is executed by each one of the qualified heirs and
- The agreement is included with the estate tax return when the estate tax return is filed.

We (list all qualified heirs)

_____ ,
 being all the qualified heirs and (list all other persons having an interest in the property required to sign this agreement)

_____ ,
 being all other parties having interests in the property which is qualified real property and which is valued under section 2032A of the Internal Revenue Code, do hereby approve of the election made by _____ ,
 Executor/Administrator of the estate of _____ ,

pursuant to section 2032A to value said property on the basis of the qualified use to which the property is devoted and do hereby enter into this agreement pursuant to section 2032A(d).

The undersigned agree and consent to the application of subsection (c) of section 2032A with respect to all the property described on Form 706, Schedule A-1, Part 2, line 2, attached to this agreement. More specifically, the undersigned heirs expressly agree and consent to personal liability under subsection (c) of 2032A for the additional estate and GST taxes imposed by that subsection with respect to their respective interests in the above-described property in the event of certain early dispositions of the property or early cessation of the qualified use of the property. It is understood that if a qualified heir disposes of any interest in qualified real property to any member of his or her family, such member may thereafter be treated as the qualified heir with respect to such interest upon filing a Form 706-A, United States Additional Estate Tax Return, and a new agreement.

The undersigned interested parties who are not qualified heirs consent to the collection of any additional estate and GST taxes imposed under section 2032A(c) from the specially valued property.

If there is a disposition of any interest which passes, or has passed to him or her, or if there is a cessation of the qualified use of any specially valued property which passes or passed to him or her, each of the undersigned heirs agrees to file a Form 706-A, and pay any additional estate and GST taxes due within 6 months of the disposition or cessation.

It is understood by all interested parties that this agreement is a condition precedent to the election of special-use valuation under section 2032A and must be executed by every interested party even though that person may not have received the estate (or GST) tax benefits or be in possession of such property.

Each of the undersigned understands that by making this election, a lien will be created and recorded pursuant to section 6324B of the Code on the property referred to in this agreement for the adjusted tax differences with respect to the estate as defined in section 2032A(c)(2)(C).

As the interested parties, the undersigned designate the following individual as their agent for all dealings with the Internal Revenue Service concerning the continued qualification of the specially valued property under section 2032A and on all issues regarding the special lien under section 6324B. The agent is authorized to act for the parties with respect to all dealings with the Internal Revenue Service on matters affecting the qualified real property described earlier. This includes the authorization:

- To receive confidential information on all matters relating to continued qualification under section 2032A of the specially valued real property and on all matters relating to the special lien arising under section 6324B;
- To furnish the Internal Revenue Service with any requested information concerning the property;
- To notify the Internal Revenue Service of any disposition or cessation of qualified use of any part of the property;
- To receive, but not to endorse and collect, checks in payment of any refund of Internal Revenue taxes, penalties, or interest;
- To execute waivers (including offers of waivers) of restrictions on assessment or collection of deficiencies in tax and waivers of notice of disallowance of a claim for credit or refund; and
- To execute closing agreements under section 7121.

(continued on next page)

Part 3. Agreement to Special Valuation Under Section 2032A *(continued)*

| | |
|-------------------------|---|
| Estate of: _____ | Decedent's social security number _____ _____ _____ |
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• Other acts (specify) ► _____

By signing this agreement, the agent agrees to provide the Internal Revenue Service with any requested information concerning this property and to notify the Internal Revenue Service of any disposition or cessation of the qualified use of any part of this property.

| | | |
|---------------|-----------|---------|
| Name of Agent | Signature | Address |
|---------------|-----------|---------|

The property to which this agreement relates is listed in Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return, and in the Notice of Election, along with its fair market value according to section 2031 of the Code and its special-use value according to section 2032A. The name, address, social security number, and interest (including the value) of each of the undersigned in this property are as set forth in the attached Notice of Election.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands at _____,

this _____ day of _____.

SIGNATURES OF EACH OF THE QUALIFIED HEIRS:

| | |
|-----------------------------|-----------------------------|
| Signature of qualified heir | Signature of qualified heir |
| Signature of qualified heir | Signature of qualified heir |
| Signature of qualified heir | Signature of qualified heir |
| Signature of qualified heir | Signature of qualified heir |
| Signature of qualified heir | Signature of qualified heir |
| Signature of qualified heir | Signature of qualified heir |

Signatures of other interested parties

Signatures of other interested parties