Application Booklet

Traditional, Rollover, Roth, or SEP Individual Retirement Account

Marsco Investment Corp. in partnership with

Delaware Charter Guarantee & Trust Company
d/b/a Principal Trust Company

Table of Contents

Privacy Notice 1-1
Application for Traditional, Roth, Rollover & SEP IRA 2-1
Form 5305-SEP 3-1
Instructions 4-1
Internal Revenue Service Opinion Letter 5-1
Disclosure Statement for Traditional IRA, SEP-IRA and SIMPLE IRA 6-1
Disclosure Statement for Roth IRA 7-1
Self-Directed Individual Retirement Trust Agreement 8-1
Amendment to Self-Directed Individual Retirement Trust Agreement 9-1
Schedule of Trustee Fees 10-1

Principal Trust Company

A member of

Mailing Address:
P.O. Box 8963
Wilmington, DE 19899-8963
800-209-9010 Fax: 302-999-9554

Privacy Notice

This Notice is provided on behalf of Delaware Charter Guarantee & Trust Company d/b/a Principal Trust Company.

Protecting Your Privacy

This Notice is required by law. It tells how we handle personal information. This Notice applies to:

- People, including IRA account holders, personal trust clients, grantors, beneficiaries, remaindermen, who own or apply for our products or services for personal use
- Employee benefit plan participants and beneficiaries

In this Notice, "you" refers to only these people. The Notice does not apply to an employer plan sponsor.

We Protect Information We Collect About You

We follow strict standards to safeguard personal information. These standards include limiting access to data and regularly testing our security technology.

How We Collect Information

We collect data about you as we do business with you. Some of the sources of this data are as follows:

- **Information we obtain when you apply or enroll for products or services.** You may provide facts such as your name, address, Social Security number, and employment data.
- **Information we obtain from others.** This may include market value data about your account and similar data.
- **Information we obtain through our transactions and experience with you.** This includes investment records and account values.
- **Information we obtain through the Internet.** This includes data from online forms you complete. It also includes data we receive when you visit our website.

How We Share Information With Others

In the course of doing business we may share data with others. This could include personal information about you or about former customers, plan participants or beneficiaries. Personal information may be shared with others for the following purposes:

- in response to a subpoena,
- to prevent fraud,
- to comply with inquiries from government agencies or other regulators, or
- for other legal purposes.

We also may share personal information about you or former customers:

- with others that service your accounts, or that perform services on our behalf,
- with others with your consent, at your request or as allowed by law.

Accuracy of Information

We strive for accurate records. Please tell us if you receive any incorrect materials from us. We will make the appropriate changes.

More Information

You can write to us if you have questions about our Privacy Notice:

Privacy Officer, P.O. Box 8963, Wilmington, DE 19899-8963.

Receipt of this notice does not mean your application has been accepted.

We may change our privacy practices at times. We will give you a revised notice when required by law.

Our privacy practices comply with all applicable laws.

If a state's privacy laws are more restrictive than those stated in this Notice, we comply with those laws.

Your agent, broker, registered representative, consultant or advisor may have a different privacy policy.

MARSCO
Why Trade Anywhere Else

Application for Traditional Roth, Rollover, & SEP IRA

See the instructions for Self-Directed Traditional Roth, Rollover & SEP IRA in Section 4 of the application package.

Check One:

☐ New Contribution Year 20 ☐ Transfer from another IRA

☐ Traditional ☐ Roth ☐ Rollover/Traditional ☐ Rollover/Roth ☐ SEP IRA ☐ Inherited Traditional IRA

☐ Inherited Roth

For Roth Accounts Only

Type of Roth IRA: (check one)

☐ New IRA

☐ Conversion IRA (complete the following)

☐ Conversion of the entire IRA

☐ Partial Conversion, Conversion Amount $

Conversion from my existing Delaware Charter Guarantee Trust Company d/b/a Principal Trust Company (Principal Trust Company) IRA# ____________________ to a Roth IRA.

Conversion from my existing account at ____________________ to a Roth IRA.

Please Complete the Following Information

Name				
Street Address (Required)		City	State	ZIP Code
Mailing Address (if different may use P.O. Box)		City	State	ZIP Code
Phone No.	Date of Birth		Social Security No.	

Citizenship

☐ U.S. Citizen ☐ U.S. Citizen living abroad

☐ U.S. Citizen with Dual Citizenship with another country - Other Country of Citizenship ____________________

☐ Permanent U.S. Resident Alien

Beneficiary(ies):

(If more than one Primary beneficiary is listed, make sure percentage is noted and totals 100%)

Primary Beneficiary(ies)	**Percentage**	**Relationship**	**Date of Birth**	**Social Security No.**
	%			
	%			
	%			
	%			

Contingent Beneficiary(ies): (Replaces Primary noted above if all Primary predecease the Contingent)

	%			
	%			
	%			
	%			

NOTE:

- Please consult with your tax and/or legal advisor on the enforceability of your beneficiary designation under your particular state laws.
- If your designated beneficiary is your spouse and you divorce, your ex-spouse will remain as your designated beneficiary until you revise your beneficiary designation.
- If you name a trust as your beneficiary Principal Trust requires a copy of the full trust document.

I appoint Principal Trust Company to serve as Trustee. By making this appointment, I agree to and acknowledge the following:

- I have read and understand the Trust Agreement, Disclosure Statement, and Schedule of Trustee Fees and agree to abide by the terms of the plan documents listed above.
- I have read and understand the information provided in the Instructions regarding float.
- I agree to pay all applicable fees described in the Schedule of Trustee Fees, which may be changed from time to time. If I do not pay such Trustee fees directly, I authorize my investment representative as "custodian" to debit such Trustee fees from my retirement plan account.
- I understand Principal Trust Company is not an investment advisor and does not supervise or control my investment representative. Principal Trust Company does not endorse any particular investment. I agree to use independent judgment in making my investment decisions.
- I agree to resolve disputes with Principal Trust Company through binding arbitration. See Article 5.8G of the Trust Agreement.
- I certify that the above Social Security number is true and correct.

Applicant's Signature	Date
X	

To be Completed by Representative

Representative's Name	Firm
Address	Individual's Account No.
Phone No.	Email Address

Approval of Trustee

The foregoing Application is hereby approved by the Trustee this ________________ day of ___________, 20 _____

Attest ________________________ by ____

Please retain a copy for your records.

Additional Information for Inherited IRA (Required)

I am the Beneficiary of the following IRA (Completed Decedent Information)

Name		Date of Birth
Date of Death	Social Security No.	Account No.

If the decedent's IRA is held at another firm, an Inherited IRA must be established at the other firm before transferring to Principal Trust Company. Please forward a certified copy of the death certificate with the application.

I am a

☐ Spouse Beneficiary

☐ Non-Spouse Beneficiary ________________________________ (example: brother/sister/niece)

☐ Entity Beneficiary ________________________________ (example: charitable institution)

☐ Trust Beneficiary (Please supply a copy of trust document)

Mail to: Marsco Investment Corp., 101 Eisenhower Parkway, Roseland, NJ, 07068

Form **5305-SEP**
(Rev. December 2004)
Department of the Treasury
Internal Revenue Service

Simplified Employee Pension—Individual Retirement Accounts Contribution Agreement

(Under section 408(k) of the Internal Revenue Code)

OMB No. 1545-0499

Do not file with the Internal Revenue Service

______________________________ (Name of employer) makes the following agreement under section 408(k) of the Internal Revenue Code and the instructions to this form.

Article I—Eligibility Requirements (check applicable boxes—see instructions)

The employer agrees to provide discretionary contributions in each calendar year to the individual retirement account or individual retirement annuity (IRA) of all employees who are at least ________ years old (not to exceed 21 years old) and have performed services for the employer in at least ________ years (not to exceed 3 years) of the immediately preceding 5 years. This simplified employee pension (SEP) ☐ includes ☐ **does not** include employees covered under a collective bargaining agreement, ☐ includes ☐ **does not** include certain nonresident aliens, and ☐ includes ☐ **does not** include employees whose total compensation during the year is less than $450*.

Article II—SEP Requirements (see instructions)

The employer agrees that contributions made on behalf of each eligible employee will be:

A. Based only on the first $205,000* of compensation.
B. The same percentage of compensation for every employee.
C. Limited annually to the smaller of $41,000* or 25% of compensation.
D. Paid to the employee's IRA trustee, custodian, or insurance company (for an annuity contract).

______________________________ Employer's signature and date

______________________________ Name and title

Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 5305-SEP (Model SEP) is used by an employer to make an agreement to provide benefits to all eligible employees under a simplified employee pension (SEP) described in section 408(k).

Do not file Form 5305-SEP with the IRS. Instead, keep it with your records.

For more information on SEPs and IRAs, see Pub. 560, Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans), and Pub. 590, Individual Retirement Arrangements (IRAs).

Instructions to the Employer

Simplified employee pension. A SEP is a written arrangement (a plan) that provides you with an easy way to make contributions toward your employees' retirement income. Under a SEP, you can contribute to an employee's traditional individual retirement account or annuity (traditional IRA). You make contributions directly to an IRA set up by or for each employee with a bank, insurance company, or other qualified financial institution. When using Form 5305-SEP to establish a SEP, the IRA must be a Model traditional IRA established on an IRS form or a master or prototype traditional IRA for which the IRS has issued a favorable opinion letter. You may not make SEP contributions to a Roth IRA or a SIMPLE IRA. Making the agreement on Form 5305-SEP does not establish an employer IRA described in section 408(c).

When not to use Form 5305-SEP. Do not use this form if you:

1. Currently maintain any other qualified retirement plan. This does not prevent you from maintaining another SEP.

2. Have any eligible employees for whom IRAs have not been established.

3. Use the services of leased employees (described in section 414(n)).

4. Are a member of an affiliated service group (described in section 414(m)), a controlled group of corporations (described in section 414(b)), or trades or businesses under common control (described in sections 414(c) and 414(o)), unless all eligible employees of all the members of such groups, trades, or businesses participate in the SEP.

5. Will not pay the cost of the SEP contributions. Do not use Form 5305-SEP for a SEP that provides for elective employee contributions even if the contributions are made under a salary reduction agreement. Use Form 5305A-SEP, or a nonmodel SEP.

Note. *SEPs permitting elective deferrals cannot be established after 1996.*

Eligible employees. All eligible employees must be allowed to participate in the SEP. An eligible employee is any employee who: (1) is at least 21 years old, and (2) has performed "service" for you in at least 3 of the immediately preceding 5 years. You can establish less restrictive eligibility requirements, but not more restrictive ones.

Service is any work performed for you for any period of time, however short. If you are a member of an affiliated service group, a controlled group of corporations, or trades or businesses under common control, service includes any work performed for any period of time for any other member of such group, trades, or businesses.

Excludable employees. The following employees do not have to be covered by the SEP: (1) employees covered by a collective bargaining agreement whose retirement benefits were bargained for in good faith by you and their union, (2) nonresident alien employees who did not earn U.S. source income from you, and (3) employees who received less than $450* in compensation during the year.

Contribution limits. You may make an annual contribution of up to 25% of the employee's compensation or $41,000*, whichever is less. Compensation, for this purpose, does not include employer contributions to the SEP or the employee's compensation in excess of $205,000*. If you also maintain a salary reduction SEP, contributions to the two SEPs together may not exceed the smaller of $41,000* or 25% of compensation for any employee.

You are not required to make contributions every year, but when you do, you must contribute to the SEP-IRAs of all eligible employees who actually performed services during the year of the contribution. This includes eligible employees who die or quit working before the contribution is made.

Contributions cannot discriminate in favor of highly compensated employees. Also, you may not integrate your SEP contributions with, or offset them by, contributions made under the Federal Insurance Contributions Act (FICA).

If this SEP is intended to meet the top-heavy minimum contribution rules of section 416, but it does not cover all your employees who participate in your salary reduction SEP, then you must make minimum contributions to IRAs established on behalf of those employees.

Deducting contributions. You may deduct contributions to a SEP subject to the limits of section 404(h). This SEP is maintained on a calendar year basis and contributions to the

* *For 2005 and later years, this amount is subject to annual cost-of-living adjustments. The IRS announces the increase, if any, in a news release, in the Internal Revenue Bulletin, and on the IRS website at* www.irs.gov.

SEP are deductible for your tax year with or within which the calendar year ends. Contributions made for a particular tax year must be made by the due date of your income tax return (including extensions) for that tax year.

Completing the agreement. This agreement is considered adopted when:

- IRAs have been established for all your eligible employees;
- You have completed all blanks on the agreement form without modification; and
- You have given all your eligible employees the following information:

1. A copy of Form 5305-SEP.

2. A statement that traditional IRAs other than the traditional IRAs into which employer SEP contributions will be made may provide different rates of return and different terms concerning, among other things, transfers and withdrawals of funds from the IRAs.

3. A statement that, in addition to the information provided to an employee at the time the employee becomes eligible to participate, the administrator of the SEP must furnish each participant within 30 days of the effective date of any amendment to the SEP, a copy of the amendment and a written explanation of its effects.

4. A statement that the administrator will give written notification to each participant of any employer contributions made under the SEP to that participant's IRA by the later of January 31 of the year following the year for which a contribution is made or 30 days after the contribution is made.

Employers who have established a SEP using Form 5305-SEP and have furnished each eligible employee with a copy of the completed Form 5305-SEP and provided the other documents and disclosures described in *Instructions to the Employer* and *Information for the Employee,* are not required to file the annual information returns, Forms 5500 or 5500-EZ for the SEP. However, under Title I of the Employee Retirement Income Security Act of 1974 (ERISA), this relief from the annual reporting requirements may not be available to an employer who selects, recommends, or influences its employees to choose IRAs into which contributions will be made under the SEP, if those IRAs are subject to provisions that impose any limits on a participant's ability to withdraw funds (other than restrictions imposed by the Code that apply to all IRAs). For additional information on Title I requirements, see the Department of Labor regulation at 29 CFR 2520.104-48.

Information for the Employee

The information below explains what a SEP is, how contributions are made, and how to treat your employer's contributions for tax purposes. For more information, see Pub. 590.

Simplified employee pension. A SEP is a written arrangement (a plan) that allows an employer to make contributions toward your retirement. Contributions are made to a traditional individual retirement account/annuity (traditional IRA). Contributions must be made to either a Model traditional IRA executed on an IRS form or a master or prototype traditional IRA for which the IRS has issued a favorable opinion letter.

An employer is not required to make SEP contributions. If a contribution is made, however, it must be allocated to all eligible employees according to the SEP agreement. The Model SEP (Form 5305-SEP) specifies that the contribution for each eligible employee will be the same percentage of compensation (excluding compensation greater than $205,000*) for all employees.

Your employer will provide you with a copy of the agreement containing participation rules and a description of how employer contributions may be made to your IRA. Your employer must also provide you with a copy of the completed Form 5305-SEP and a yearly statement showing any contributions to your IRA.

All amounts contributed to your IRA by your employer belong to you even after you stop working for that employer.

Contribution limits. Your employer will determine the amount to be contributed to your IRA each year. However, the amount for any year is limited to the smaller of $41,000* or 25% of your compensation for that year. Compensation does not include any amount that is contributed by your employer to your IRA under the SEP. Your employer is not required to make contributions every year or to maintain a particular level of contributions.

Tax treatment of contributions. Employer contributions to your SEP-IRA are excluded from your income unless there are contributions in excess of the applicable limit. Employer contributions within these limits will not be included on your Form W-2.

Employee contributions. You may make regular IRA contributions to an IRA. However, the amount you can deduct may be reduced or eliminated because, as a participant in a SEP, you are covered by an employer retirement plan.

SEP participation. If your employer does not require you to participate in a SEP as a condition of employment, and you elect not to participate, all other employees of your employer may be prohibited from participating. If one or more eligible employees do not participate and the employer tries to establish a SEP for the remaining employees, it could cause adverse tax consequences for the participating employees.

An employer may not adopt this IRS Model SEP if the employer maintains another qualified retirement plan. This does not prevent your employer from adopting this IRS Model SEP and also maintaining an IRS Model Salary Reduction SEP or other SEP. However, if you work for several employers, you may be covered by a SEP of one employer and a different SEP or pension or profit-sharing plan of another employer.

SEP-IRA amounts—rollover or transfer to another IRA. You can withdraw or receive funds from your SEP-IRA if, within 60 days of receipt, you place those funds in the same or another IRA. This is called a "rollover" and can be done without penalty only once in any 1-year period. However, there are no restrictions on the number of times you may make "transfers" if you arrange to have these funds transferred between the trustees or the custodians so that you never have possession of the funds.

Withdrawals. You may withdraw your employer's contribution at any time, but any amount withdrawn is includible in your income unless rolled over. Also, if withdrawals occur before you reach age 59½, you may be subject to a tax on early withdrawal.

Excess SEP contributions. Contributions exceeding the yearly limitations may be withdrawn without penalty by the due date (plus extensions) for filing your tax return (normally April 15), but are includible in your gross income. Excess contributions left in your SEP-IRA after that time may have adverse tax consequences. Withdrawals of those contributions may be taxed as premature withdrawals.

Financial institution requirements. The financial institution where your IRA is maintained must provide you with a disclosure statement that contains the following information in plain, nontechnical language:

1. The law that relates to your IRA.

2. The tax consequences of various options concerning your IRA.

3. Participation eligibility rules, and rules on the deductibility of retirement savings.

4. Situations and procedures for revoking your IRA, including the name, address, and telephone number of the person designated to receive notice of revocation. This information must be clearly displayed at the beginning of the disclosure statement.

5. A discussion of the penalties that may be assessed because of prohibited activities concerning your IRA.

6. Financial disclosure that provides the following information:

a. Projects value growth rates of your IRA under various contribution and retirement schedules, or describes the method of determining annual earnings and charges that may be assessed.

b. Describes whether, and for when, the growth projections are guaranteed, or a statement of the earnings rate and the terms on which the projections are based.

c. States the sales commission for each year expressed as a percentage of $1,000.

In addition, the financial institution must provide you with a financial statement each year. You may want to keep these statements to evaluate your IRA's investment performance.

Paperwork Reduction Act Notice. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	1 hr., 40 min.
Learning about the law or the form	1 hr., 35 min.
Preparing the form . . .	1 hr., 41 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224. Do not send this form to this address. Instead, keep it with your records.

Instructions for Self-Directed Traditional, Roth, Rollover, & SEP IRA

Consult With Your Attorney

Carefully read the enclosed information. Please consult with your attorney or tax advisor if you are thinking about starting your own trust.

Disclosure Statement & Trust Agreement

Before you complete any forms, read the Disclosure Statement and Trust Agreement in their entirety.

What is Required to Establish an Individual Retirement Trust?

When you decide to start your program, complete the application found in this package and forward it with your $25 acceptance fee check payable to Principal Trust Company.

Paying by check authorizes Delaware Charter Guarantee & Trust Company d/b/a Principal Trust Company (Principal Trust Company) to send the information from your check electronically to your bank for payment. You will not receive your original check back from your financial institution. For security reasons we will destroy your original check, but we will keep an electronic image of the check for recordkeeping purposes.

Tax Qualification

This master trust has received a favorable determination and has been assigned serial #K170168f. A copy of the IRS approval letter can be found in Section 5-1 of this booklet.

Application

This is the basic legal document through which you join the Trust. It should be carefully considered. Please complete and sign the application. Send the original to Principal Trust Company. Make one copy for your records and provide one copy to your investment executive. We cannot accept an incomplete or unsigned application. **Note for SEP IRA only:** We have provided Form 5305-SEP for your convenience. Please complete this form for your records.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires Principal Trust Company to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

Trust Installation and Notice

Individual accounts will be opened by your broker. The title of the account will be as follows:

Delaware Charter Guarantee & Trust Company, Trustee

FBO (Name of Account Holder), Traditional,
Roth, Rollover, or SEP IRA

Account Executive Note:

Set the account up so that duplicate statements are sent to:

P.O. Box 8963
Wilmington, DE 19899-8963.

Investments

It is your responsibility to direct the investment of the Trust funds. Investment directions may be given directly to your brokerage firm. Investment confirmations will be sent to you by the brokerage firm.

Trustees are required to furnish participants with a statement of the value of their account by January 31 each year. Because Principal Trust Company is a non-depository directed trustee, we must rely on the regularly issued brokerage/investment statements that are issued to you to meet this requirement.

The facilities of your brokerage firm will be available to you so that you may obtain research material in connection with your investments. Your brokerage firm will receive only brokerage commissions or appropriate dealer markups for the purchase and sale of securities within your account.

The brokerage firm cannot exercise discretion or control over your account, unless you are using the services of a registered investment advisor. Although they may provide investment information and advice to you, they do not intend that any advice given by them will serve as the primary basis for your investment decisions. Furthermore, it is our understanding that you will exercise independent judgment in making investment decisions.

Contributions

Important*:* Forward all contributions to your brokerage firm. To make sure the contributions are associated with the proper tax year, the brokerage firm's cash statement must designate the tax year for which the contribution is made. If no year is designated, the contribution will be considered made in the tax year in which it is deposited. If you make a Rollover, the brokerage firm's cash statement must indicate "RO" next to the asset(s) received.

Note: With the exception of rollovers, contributions in excess of the allowable amount per year (as indexed), plus excess of allowable catch-up contributions (as indexed) (or such limits as may be established by law) cannot be accepted. Do not over-invest as this will cause a debit balance and may disqualify your Plan. Commissions are part of the cost of the investment and may not be paid separately.

Mailing Instructions

Send to: Marsco Investment Corp., 101 Eisenhower Parkway, Roseland, NJ 07068

Fair Market Value

As a non-depository directed trustee, we are required to submit the December 31 fair market value of your account to the Internal Revenue Service each year. We request this information annually from your brokerage/investment firm and provide it to the IRS. If your brokerage/investment firm does not provide this information, we will request this information from you. In the event that we do not receive the fair market value of your account, we will report the last value reported to us to the IRS. We strongly recommend that you carefully monitor your account at all times and contact your brokerage/investment firm if you do not receive a statement with the December 31 fair market value of your account by January 31.

For certain types of investments, particularly limited partnerships and private placement investments, a valuation of zero may be reflected when the investment sponsor reports the investment as having no market value or if the investment sponsor is in bankruptcy.

Important Information on “Float”

Float is interest that is earned on funds held by service providers, generally in short term investments, pending investment or the cashing of outstanding benefit checks.

The DOL does not consider the retention of float by service providers to be a prohibited transaction under the Employee Retirement Income Security Act of 1974 (ERISA) if several guidelines are followed. You may view a copy of the details of the DOL’s guidance on float at the following web address: http://www.dol.gov/ebsa/regs/fabmain.html.

Principal Trust Company may earn float on:

- Contributions awaiting investment direction.
- Outstanding benefit distribution checks. Float is earned until the checks are cashed.
- Outstanding dividend checks. Float is earned until the checks are cashed.

Principal Trust Company tries to minimize float as much as possible. For instance:

- We mail checks the day we issue them. However, we do not have control over when the checks are cashed.
- Contributions and dividend checks are normally sent for investment on the day after they are received (hence, we would not earn float) or as soon as possible thereafter. Certain situations -e.g., lack of allocation or investment directions, etc.- slows down the allocation or investment of those funds.

We do not credit float directly to the plans or accounts for which we provide services because the cost to track the amount of float on a per plan or per account basis and allocate it to the plan participants or account would far exceed the amount of float earned. In the end, the amount that we earn on float helps us keep our fees down. Please contact your Principal Trust Company representative at (800) 209-9010 if you have questions.

Records

It is extremely important for you to keep good records covering your contributions and investments. **Remember that you assume the responsibility for filing all Federal and State tax returns and forms required as an Account Holder of a Traditional, Roth, Rollover, or SEP IRA.**

(Note*:* Our Federal Tax ID number should appear when opening cash accounts. It is 51-0099493. When a cash account is opened, both Trustee & Account Holder must receive a statement).

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Plan Name: Traditional or Roth IRA Trust 001

FFN: 50116680000-001 Case: 200300122 EIN: 51-0099493

Letter Serial No: K170168f

DELAWARE CHARTER GUARANTEE & TRUST CO
d/b/a TRUSTAR RETIREMENT SERVICES
1013 CENTRE ROAD
WILMINGTON, DE 19805

Contact Person:
Ms. Arrington 50-00197
Telephone Number:
(202) 283-8811
In Reference To:
T:EP:RA:T1
Date: 07/29/2003

Dear Applicant:

In our opinion, the form of the prototype trust, custodial account or annuity contract identified above is acceptable either for use as a traditional IRA under section 408 of the Internal Revenue Code or for use as a Roth IRA under Code section 408A, as amended through the Job Creation and Workers Assistance Act of 2002.

Each individual who adopts this approved prototype will be considered to have either a traditional IRA that satisfies the requirements of Code section 408 or a Roth IRA that satisfies the requirements of Code section 408A, provided the individual explicitly and unambiguously indicates at the time of adoption which type of IRA it is to be, follows the terms of the approved prototype document applicable to the type of IRA adopted, does not engage in certain transactions specified in Code section 408(e), and, if the IRA is a trust or custodial account, the trustee or custodian is a bank within the meaning of Code section 408(n) or has been approved by the Internal Revenue Service pursuant to Code section 408(a)(2).

Code section 408(i) and related regulations require that the trustee, custodian or issuer of a contract provide a disclosure statement to each participant in this program as specified in the regulations. Publication 590, Individual Retirement Arrangements (IRAs), gives information about the items to be disclosed. The trustee, custodian or issuer of a contract is also required to provide each adopting individual with annual reports of all transactions related to the IRA.

The Internal Revenue Service has not evaluated the merits of this IRA and does not guarantee contributions or investments made under the IRA. Furthermore, this letter does not express any opinion as to the applicability of Code section 4975, regarding prohibited transactions.

This prototype IRA may have to be amended to include or revise provisions in order to comply with future changes in the law or regulations.

If you have any questions concerning IRS processing of this case, call us at the above telephone number. Please refer to the File Folder Number (FFN) shown in the heading of this letter. Please provide those adopting this prototype with your telephone number, and advise them to contact your office if they have any questions about the operation of their IRA. Please provide a copy of this letter to each adopting individual.

You should keep this letter as a permanent record. Please notify us if you terminate sponsorship of this prototype IRA.

Sincerely yours,

Paul T. Shultz

Director,
Employee Plans Rulings & Agreements

DISCLOSURE STATEMENT FOR TRADITIONAL IRA, SEP-IRA and SIMPLE IRA

This Disclosure Statement provides you, and your beneficiaries after your death, a summary of the basic rules and regulations governing your Delaware Charter Guarantee & Trust Company d/b/a Principal Trust Company (Principal Trust Company) Self-Directed traditional, SEP or SIMPLE Individual Retirement Account (IRA). It also contains important federal tax and legal information. However, the applicable Self-Directed Individual Retirement Trust Agreement (Trust Agreement) for your IRA type (traditional, SEP or SIMPLE) will govern your IRA. If there is a discrepancy between the Trust Agreement and Disclosure Statement, the Trust Agreement will control.

Principal Trust Company cannot give tax or financial advice. We strongly encourage you to consult with your tax or legal advisor before you establish an IRA.

When used in this document, the words you and your refer to the person for whom the IRA is established. We, us, and our refer to Principal Trust Company as trustee of your IRA.

Roth IRAs are described in a separate disclosure statement.

Your Right to Revoke Your IRA

You may revoke your IRA within seven days of the date you establish the IRA. If you revoke your IRA, we will return all of your funds, without adjustment for items such as sales commissions, administrative expenses (including the acceptance fee), or fluctuation in market value.

Your notice of revocation must be put in writing, signed by you, and delivered to us.

The notice may be mailed to us at the following address:

IRA Processor
Principal Trust Company
P.O. Box 8963
Wilmington, DE 19899-8963

You may also send the notice by courier at the following address:

IRA Processor
Principal Trust Company
1013 Centre Road
Wilmington, DE 19805

If you mail the notice, we will use the date of the postmark (or the date of certification or registration for certified or registered mail) as the date of the notice. You may call us at (800) 209-9010 or (302) 995-2131 if you have questions.

A. Traditional IRA Contributions – General Rules

Annual contributions to your traditional IRA must be in the form of cash, checks, money orders, or electronic fund transfers. (You cannot contribute other assets, except in a transfer or a rollover as described in Sections G and H.) Traditional IRA contributions are subject to the following limitations and restrictions:

1. Contribution Eligibility

You may establish a traditional IRA if you (or your spouse, if filing a joint return) receive taxable compensation for the year and you were not age 70½ by the end of the calendar year.

2. Annual Contribution Limits

The maximum amount you may contribute to all of your traditional and Roth IRAs for a year is the lesser of the maximum contribution limit in effect for the taxable year, as described below, or 100% of your compensation. If you are age 50 or older by the end of the applicable year, the annual contribution limit is increased, as described below (subject to the 100% of compensation limit). You may make these extra “catch-up” contributions regardless of your past contribution history.

3. **Maximum Annual Contribution Limits**

The maximum contribution limit is as follows:

Tax Year	Maximum Annual Contribution	Maximum Annual Contribution Age 50 or Older
2008	$5,000	$6,000
2009	$5,000	$6,000

For years after 2009, the contribution limit will be adjusted by the Secretary of Treasury for cost-of-living increases. The adjustments will be in multiples of $500.

You may contribute less than the maximum contribution for a year.

4. **Compensation**

For purposes of the contribution limits, Compensation includes wages, salaries, tips, professional fees, bonuses, and other amounts derived from or received for personal services, commissions, and self-employment (earned) income. When determining compensation for self-employed individuals, any amounts taken as a deduction for contributions made to a self-employed retirement plan must be subtracted from net earnings. Compensation also includes any taxable alimony and separate maintenance payments you receive under a divorce decree or separate maintenance.

Compensation includes combat-zone compensation that is excluded from income for federal income tax purposes. (You may be able to make an additional contribution to your IRA by May 28, 2009, if you received nontaxable combat pay in 2004 or 2005.) Beginning January 1, 2009, compensation also includes certain differential wage payments (or military supplemental pay) paid by an employer to an individual while on active duty for a period of more than 30 days.

Compensation does not include earnings and profits from property, interest and dividend income, pension or annuity income, or deferred income.

5. **No Contributions After Age 70½**

Contributions may not be made to your traditional IRA for the year in which you reach age 70½ or any later year. You attain age 70½ on the date that is six calendar months after the 70th anniversary of your birth.

6. **Additional Contribution for Employer Bankruptcies**

If you participated in a 401(k) plan and the employer that maintained the plan went into bankruptcy, you may be able to contribute an additional $3,000 to your traditional IRA for taxable years through 2009, if the following conditions are met:

a. You must have been a participant in a 401(k) plan under which the employer matched at least 50% of your contributions to the plan with stock of the company;

b. You must have been a participant in the 401(k) plan six months before your employer filed for bankruptcy;

c. Your employer (or a controlling corporation) must have been a debtor in a bankruptcy case in a preceding year; and

d. Your employer, or another person, must have been subject to indictment or conviction based on business transactions related to the bankruptcy.

If you make these additional contributions, you are not eligible to make catch-up IRA contributions for that year, even if you are age 50 or older.

7. **Spousal IRA Limit**

If you are married and you file a joint federal income tax return, you may also contribute to your spouse's traditional IRA. The contribution may not exceed the contribution limit in effect for the tax year and the combined IRA contribution for you and your spouse may not exceed 100% of your combined compensation.

However, if you and your spouse did not live together at any time during the year and did not file a joint federal income tax return for that year, you and your spouse will be treated as unmarried for purposes of the IRA contribution limits for that year.

8. **Qualified Reservist Contribution**

If you received a qualified reservist distribution from an IRA or from a Code section 401(k) or 403(b) plan or a similar arrangement, you may be able to repay to an IRA the amount of the distribution. You must make the repayment during the two-year period after your active duty period ends. Your qualified reservist repayment is not subject to the annual contribution limits. You may not deduct the repayment, which will be treated as a non-deductible IRA contribution.

9. **Due Date for Contributions**

Contributions may be made at any time during the year or by the due date for filing your federal tax return for that year, not including extensions. For most taxpayers, the due date will be April 15 of the following year. If an amount is contributed to your traditional IRA between January 1 and April 15, you must inform us for which year (the current or prior year) the contribution is for, otherwise we will assume and report to the IRS, that the contribution is for the year in which it was received in our office.

10. **Corrective Withdrawals**

You may make a tax-free withdrawal of any contribution you make to your traditional IRA for a year if you withdraw the contribution, together with any earnings on it, by the due date (including extensions) for filing your federal income tax return.

The amounts that you withdraw cannot be deducted on your tax return or reported as a nondeductible contribution. The contribution you withdraw is not included in your income as an IRA distribution, but you must include any earnings on the contribution as ordinary income for the year you made the contribution. The earnings also are subject to a 10% penalty tax on early distribution if you are under age 59½, unless an exception applies. See Section P.

11. **Direct Deposit of Tax Refunds**

You may have your tax refund directly deposited to a traditional IRA, or SEP-IRA, but not a SIMPLE IRA.

12. **Responsibility of the Trustee Regarding Contributions**

You must tell us how all contributions are to be invested. All contributions received will be held and administered by us pursuant to the terms of the Trust Agreement. We are not responsible for the computation and collection of any contributions under the IRA.

13. **Tax Saver's Credit**

You may be able to take a nonrefundable tax credit up to $1,000 per year for contributions made to your traditional IRA and certain other plans. The credit is in addition to any deduction from gross income that is otherwise allowed for the contribution. To be eligible for the credit, you must be age 18 or older, not a full time student and not listed as a dependent on another taxpayer's return.

The tax credit generally equals your "percentage rate" times your "qualified retirement savings contributions." Qualified retirement savings contributions include your traditional IRA contributions and contributions to certain other plans. But certain distributions from such plans reduce your qualified retirement savings contributions for the year. In addition, the total contribution taken into account for this credit is $2,000.

The percentage rate for the credit is based on your MAGI and is subject to phase-outs, as listed under the following table:

MAGI Phase-Outs				
	Married Filing Joint MAGI	**Head of Household MAGI**	**Single, Married Filing Separately, or Qualifying Widow(er) MAGI**	**Percentage Rate**
2009	$0 and $33,000	$0 and $24,750	$0 and $16,500	50%
	$33,001 and $36,000	$24,751 and $27,000	$16,501 and $18,000	20%
	$36,001 and $55,500	$27,001 and $41,625	$18,001 and $27,750	10%
	Over $55,500	Over $41,625	Over $27,750	No Credit Available

For years after 2009, the MAGI phase-outs are subject to cost-of-living adjustments.

The requirements for this tax credit are very complex. You should consult with your tax adviser about your situation.

B. Deductible Contributions – Traditional IRA

Contributions to your traditional IRA may be deductible on your federal income tax return, nondeductible or a combination of both. You should consult with your tax advisor to determine if any portion of your traditional IRA contribution is deductible.

1. **Limitations and Restrictions on Deductibility of Contributions**

If you (and your spouse) are not an active participant (as defined below) for the year, your entire traditional IRA contribution may be made as a tax deductible contribution.

If you or your spouse were covered by an employer-sponsored retirement plan at any time during the year, you may not be able to deduct all of your contribution(s). Your deduction may be reduced or eliminated depending on your income and tax filing status. If you (or your spouse) are an active participant and your MAGI is below the applicable phase-out range for the year, you may contribute the maximum amount of tax deductible contributions to your

traditional IRA for that year. If you (or your spouse) are an active participant and your MAGI is above the applicable phase-out range for the year you may not make any tax deductible contributions to your traditional IRA, but may still make nondeductible contributions for that year.

If you (or your spouse) are an active participant and your MAGI is within the applicable phase-out range for the year, part of your traditional IRA contribution will be deductible. You are required to calculate your deduction limit - the amount of the contribution that is tax deductible. If you are married, the deduction limit needs to be calculated for each spouse separately.

2. Phase-Out Example

John, 37, is an unmarried active participant who made $62,000 (MAGI) in 2009. His MAGI was within the applicable phase-out range for the year ($55,000 to $65,000). To calculate his tax deductible contribution, John first subtracts the lower number of the phase-out range (here $55,000) from his MAGI ($62,000), resulting in his “excess MAGI” ($7,000).

Next, John applies the following formula:

$$\frac{\$10{,}000 - \text{Excess MAGI}}{\$10{,}000} \times \text{Maximum Contribution} = \text{Deduction Limit}$$

The deduction limit is rounded down to the next lower multiple of $10 (ex. $938 is rounded down to $930).

For John, in 2009:

$$\frac{\$10{,}000 - \$7{,}000}{\$10{,}000} \times \$5{,}000 = \$1{,}500$$

Therefore, John may deduct $1,500 of his 2009 traditional IRA contribution and the remaining $3,500 will be nondeductible.

Note that for an active participant who files a joint return, the phase-out range is $20,000, and $20,000 replaces $10,000 in the formula above.

Be sure to use the correct phase-out range for your tax filing and plan participation status. In addition, the deduction limit cannot exceed 100% of your compensation, or 100% of your combined compensation if you and your spouse file a joint federal income tax return.

Phase-Out Ranges/Filing Status				
Tax Year	**Single, or Head of Household – Active Participant**	**Married-Joint Return – Active Participant**	**Married-Separate Return – Active Participant**	**Married, Filing Jointly, Not a Participant in an Employer Plan, but Spouse is**
2008	$53,000 and $63,000	$85,000 and $105,000	$0 and $10,000	$159,000 and $169,000
2009	$55,000 and $65,000	$89,000 and $109,000	$0 and $10,000	$166,000 and $176,000
For years after 2009, the MAGI thresholds are subject to cost-of living adjustments. If you are not above the income level that would totally eliminate a deductible contribution, there is a $200 minimum deduction.				

3. Active Participant

You are an active participant for a year if you are covered by an employer-sponsored retirement plan for any part of the year. You are covered by an employer-sponsored retirement plan if your employer or union has a retirement plan under which money is added to your account or you are eligible to earn retirement credits. For example, if you are covered under a profit sharing plan, certain government plans, a salary reduction arrangement (such as a 401(k) or 403(b)), SEP-IRA, an ESOP, a pension or a plan which promises you a retirement benefit which is based on the number of years of service you have with the employer, you are likely to be an active participant. Your Form W-2 for the year should indicate whether you are a participant.

You are an active participant even if your retirement benefit is not vested. You are also an active participant if you make required contributions or voluntary contributions to an employer-sponsored retirement plan. You may be an active participant even if you were only with the employer for part of the year.

However, receiving benefits from a former employer’s retirement plan, from social security or railroad retirement does not in itself, make you an active participant.

4. MAGI

"MAGI" for purposes of determining your tax deductible traditional IRA contributions means your adjusted gross income for a year for federal income tax purposes, plus the amounts you deducted for student loan interest, foreign earned income and housing costs, employer paid adoption expenses, qualified tuition and related expenses, and certain qualified savings bond interest amounts. In addition, MAGI for traditional IRA purposes is also computed before deducting any traditional IRA contributions you make for the year.

C. Nondeductible Contributions – Traditional IRA

You may make nondeductible contributions to your traditional IRA, subject to the following:

1. Nondeductible Amount

Although your deduction for traditional IRA contributions may be reduced or eliminated, as described above, you may make contributions up to the annual limit, or spousal limit if applicable. The difference between your total allowable limit and your traditional IRA deduction is your nondeductible contribution. You may also elect to treat an otherwise deductible contribution as nondeductible, based on how you complete your federal tax return.

2. Investment Earnings

The investment earnings on your nondeductible contributions are not taxed until distributed from your traditional IRA.

3. Reporting Nondeductible Contributions

If you make a nondeductible contribution to a traditional IRA, you must report the amount of the nondeductible contribution to the IRS on Form 8606, as part of your tax return for the year. Failures to properly complete and file the Form 8606 may result in IRS penalties.

D. SEP-IRA Contributions

A simplified employer pension (SEP) is a retirement plan that permits your employer (or you, if self-employed) to contribute to your traditional IRA. (SEP contributions cannot be made to Roth IRAs or SIMPLE IRAs.)

1. Limits on Employee Contributions

For 2008, your employer may contribute up to $46,000, or if less, 25% of your compensation. However, compensation in excess of $230,000 is disregarded. In 2009, these amounts will be $49,000 and $245,000 respectively and will be adjusted by the Secretary of Treasury for cost-of-living increases thereafter.

2. Eligibility

The eligibility requirements for contributions are described in your employer's SEP plan document. Note, however, the IRS limits which employers may sponsor a SEP Plan. Unlike regular traditional IRA contributions, SEP-IRA contributions may be made to your traditional IRA even if you are over age 70½.

3. Effect on Other IRA Contributions

Even if your employer contributes to your traditional IRA through a SEP plan, you will still be able to contribute to traditional and/or Roth IRAs for yourself (and your spouse, subject to the limitations discussed above). The deductibility of your traditional IRA contributions, however, may be limited, since you would be an active participant. Your employer's SEP contributions and your traditional IRA contributions may be combined in the same account.

On the other hand, if your employer makes a contribution to an IRA for you that is not part of a SEP or SIMPLE plan, then the regular traditional IRA contribution limits apply to the total contributions made by you and your employer.

4. SAR-SEP Contributions

Some SEP plans allow participants to make pre-tax salary reduction contributions, or SAR-SEP contributions, to their SEP-IRAs. To offer this salary reduction feature, the SEP plan had to include the SAR-SEP before January 1, 1997 and satisfy other requirements. If you are eligible to make SAR-SEP contributions, you will receive additional information.

5. General Rules

Like other traditional IRA contributions, SEP- IRA contributions and any earnings are excluded from your taxable income until you withdraw them from the IRA. However, you can not deduct your employer's contributions on your federal income tax return. Withdrawals from a SEP-IRA are subject to the same rules as withdrawals from traditional IRAs.

E. SIMPLE IRA Contribution

SIMPLE IRAs hold employer tax-deductible contributions and employee pre-tax contributions to a Savings Incentive Match Plan for Employees, a SIMPLE IRA plan.

1. **Eligibility**

   Only certain employers are eligible to establish a SIMPLE IRA Plan.

   a. **Eligible Employers**

      SIMPLE IRA plans are only for small employers – an employer with 100 or fewer employees in the previous calendar years who were paid $5,000 or more in total pay from the employer. (There are certain additional rules that may apply.) The employer determines if the company is eligible to establish a SIMPLE IRA plan. An employer may have a SIMPLE IRA plan only if it has no other retirement plan at any time when the SIMPLE IRA plan is in operation. “Retirement plans” for this purpose include 401(k), profit sharing, pension, and other kinds of retirement plans that receive tax benefits.

   b. **Eligible Employees**

      Generally, all of the employer’s employees must participate in the SIMPLE IRA plan. However, the employer may decide to exclude:

      - an employee who did not receive at least $5,000 in pay from the employer in at least two prior calendar years (not necessarily consecutive).
      - an employee who is not reasonably expected to receive at least $5,000 in pay from the employer for the current calendar year.
      - union-represented employees, provided that there was good faith bargaining over the issue of retirement benefits.
      - employees who are nonresident aliens and receive no U.S. source income.

   The summary description of your employer’s SIMPLE IRA plan will indicate whether these groups of employees will be included or excluded from its SIMPLE IRA plan.

2. **Employee Contributions**

   If you are an eligible employee, you may elect to have a percentage of your pre-tax pay contributed by your employer to your SIMPLE IRA, up to a maximum annual salary deferral of $11,500 for 2009. After 2009, the maximum amount will be adjusted for cost-of-living increases. If you are age 50 or over by the end of the year, you may elect to have your pre-tax pay reduced by an additional amount of $2,500 for 2009. After 2009, the additional amount will be adjusted for cost-of-living increases.

   You elect the desired percentage of pay to contribute on a salary reduction agreement available from your employer. Salary reductions may be made only from pay you earn after signing the salary reduction agreement.

3. **Employer Contributions**

   For each year that it operates a SIMPLE IRA plan, your employer must make contributions on behalf of eligible participants. Your employer may choose either matching or nonelective contributions for a particular year. Your employer must notify you of the contribution approach it has elected for a particular calendar year.

   a. **Matching Contributions**

      If your employer makes matching contributions, you must make salary reduction contributions from your own pay in order to receive matching contributions from your employer. Your employer will match your contributions, dollar for dollar, up to a cap of 1% to 3% of your pay for the calendar year. Your employer decides the cap (subject to certain IRS requirements).

   b. **Non-Elective Contribution**

      If your employer decides to make non-elective contributions, it must contribute 2% of your pay for the calendar year provided that you receive $5,000 or more in pay from the employer for the calendar year, whether or not you make salary deferral contributions.

   For this purpose, your pay is subject to an IRA limit. The limit is $245,000 for 2009. This limit is indexed for future cost-of-living changes.

F. Payments from your IRA

You have a non-forfeitable right to your IRA at all times. You may request payment from your IRA at any time. Your IRA will be subject to federal income taxation at the time of distribution, unless you complete a rollover, as described in Section H.

1. **Taxation of Benefits**

   The federal income taxation of your traditional IRA or SEP-IRA distribution depends on the types of contributions made to the IRA (tax deductible, nondeductible or both).

   a. **Tax Deductible Contributions Only**

      If the entire balance of all of your IRAs (other than Roth IRAs) consists of tax deductible contributions, rollovers of pre-tax contributions made to a retirement plan and account earnings, then all benefits paid from your IRA are taxable as ordinary income when received.

   b. **Tax Deductible and Nondeductible Contributions**

      If you made any nondeductible contributions to your IRAs, or you rolled over to your IRA after-tax contributions that you made to a retirement plan, then each distribution from your IRA will consist of a nontaxable portion (the return of nondeductible contributions) and a taxable portion (the return of any deductible contributions, pre-tax rollover contributions and account earnings). You may not take a distribution which is entirely tax-free. A special formula is used to determine the taxable amount of the distribution, as described in IRS Publication 590. You should consult with your tax advisor to determine the proper tax treatment of your distribution.

   c. **No Special Treatment for Lump Sum Distributions**

      The above taxation rules apply to all types of distribution, including lump-sum distributions. IRA distributions do not qualify for the special income tax rules (10-year averaging or long term capital gain treatment) that apply to certain lump-sum distributions from qualified retirement plans.

   d. **Transfer to a Health Savings Account**

      If you are eligible to make health savings account (HSA) contributions, you may qualify to make a tax-free transfer from your traditional IRA to your HSA, a "qualified HSA funding distribution." Qualified HSA funding distributions cannot be made from nondeductible IRA contributions, SEP-IRAs or SIMPLE IRAs. The maximum qualified HSA funding distribution that you may make is your annual HSA contribution limit, based on your coverage level (self-only or family) at the time of the transfer. If you cease to be an "eligible individual" under the HSA rules within the 12-month period following your qualified HSA funding distribution, the amount transferred to the HSA will be subject to income tax and a 10% penalty tax (unless you cease to be an eligible individual due to your death or because you became disabled as defined by Sec. 72(m)(7) of the Internal Revenue Code). Generally, you may only make one qualified HSA funding distribution in your lifetime. The qualified HSA funding distribution must be made in a trustee-to-trustee transfer from your traditional IRA to the HSA (the amounts cannot be paid to you). Additional rules apply. You should consult with an accountant, lawyer or other qualified tax advisor about your situation.

   e. **Federal Withholding**

      Depending on the payment form you elected, generally all distributions from your IRA will be subject to federal income tax withholding. For non-periodic payments (lump sum amounts), the withholding rate is generally 10%. For periodic payments, the normal wage withholding rates generally apply. You may be able to elect out of withholding, as described on the applicable distribution form.

   f. **Qualified Charitable Distribution**

      For 2008 and 2009, if you are age 70½ or older, you may qualify to make a tax-free distribution of up to $100,000 per year from your IRA to a qualifying charity. The distribution must be paid to the qualifying charity directly by the IRA trustee, and can count towards any required minimum distribution you may need to receive for the year. Additional rules apply. The requirements for qualified charitable distributions are very complex, as are the potential effects of such a distribution on your current income tax and future financial situation. You should consult with an accountant, lawyer or other qualified tax advisor about your situation.

2. **Payments Prior to Age 59½**

   If you request payment prior to age 59½, you must include the reason for the distribution so that proper tax reporting can be made. In addition, an additional 10% early distribution tax penalty (25% from a SIMPLE IRA, in the first two years of plan participation) may result, unless an exception applies. See Section P.

3. **Payments After Age 70½/Required Minimum Distributions (RMD)**

   Federal tax rules require that benefit payments from your traditional, SEP and SIMPLE IRAs begin no later than the April 1 following the calendar year in which you reach age 70½--your required beginning date. If you do not receive the entire balance of your traditional, SEP or SIMPLE IRA by the April 1 date, you must have started receiving payments each year that satisfy the federal required minimum distribution rules by that date. The required minimum distribution for any year after your 70½ year must be made by December 31 of that later year. For example, if you were born on May 3, 1940, you reach age 70½ on November 3, 2010. You must receive an RMD payment for 2010 from your IRA by April 1, 2011. Your RMD for 2011 must be paid by December 31, 2011.

a. Calculating Your RMD

The amount that must be distributed each year, the RMD amount, beginning with the calendar year for which distributions are required and continuing through the year of death, is obtained by dividing the IRA account balance on December 31 of the previous year by the distribution period using the Uniform Lifetime Table in Q&A-2 of Section 1.401(a)(9)-9 of the Treasury Regulations, using your age on your birthday in the applicable distribution year.

However, if your sole designated beneficiary is your surviving spouse and such spouse is more than 10 years younger than you, the distribution period is determined under the Joint and Last Survivor Table in Q&A-3 of Section 1.401(a)(9)-9 using the ages as of your and your spouse's birthdays in the applicable distribution year.

b. Penalty For Failure to Take RMD

If in any taxable year after you turn age 70½ you fail to withdraw the required minimum distribution from the IRA, a 50% nondeductible penalty may be imposed by the IRS on the difference between the amount that should have been distributed and the amount actually distributed.

c. General Rules

If you have multiple IRAs, you must determine the RMD amount for each IRA, however the minimum amounts can be totaled and the total taken from any one or more of the IRAs. Any distributions in excess of the required minimum payment for one year cannot be used as a credit when figuring a subsequent year's RMD. An annual RMD must be satisfied before you can roll over any portion of your IRA account.

d. Default Distribution Methodology

If you do not commence distributions by your required beginning date, we may do any of the following:

- assume you are taking your RMD from another IRA and make no payment until you make a request,
- pay your entire IRA to you in a single sum payment, or
- follow a course of action permitted under the trust agreement.

We will not be liable for any penalties or taxes incurred due to your failure to take your RMD.

e. RMDs After Your Death

An RMD is required for the year of your death, under the rules described above. RMDs required by beneficiaries in future years are described in Section M.

f. Special Rule for 2009

You are not required under federal law to take a minimum distribution for 2009, due to relief enacted by Congress in late 2008. However, if your initial minimum distribution is for 2008 and was not paid in 2008 (since it is not due until April 1, 2009), the 2008 minimum distribution must still be taken.

g. Roth IRAs

The RMD rules described in this Section F do not apply to Roth IRAs – your Roth IRAs are not subject to lifetime RMDs. In addition, Roth IRA accounts and distributions are also disregarded for purposes of determining RMDs from your traditional, SEP and SIMPLE IRAs.

G. Transfers of IRA Assets

1. Trustee to Trustee Transfer

You may transfer assets in your IRA from one trustee directly to another. The transfer is not a rollover and is therefore not subject to the one-year waiting period that applies to rollovers as described below. There is no dollar limit on the amount you transfer or how often you can make a transfer.

The transfer is tax-free if it is between traditional IRAs (or between a SEP-IRA or, after two years of participation, a SIMPLE IRA and a traditional IRA), or between SIMPLE IRAs. However, a transfer of a traditional IRA, SEP-IRA or SIMPLE IRA to a Roth IRA is a conversion (as discussed in Section I) and subject to tax.

2. Limitation on Transfers of SIMPLE IRAs

For the first two years that you participate in your employer's SIMPLE plan, you may only transfer your SIMPLE IRA to another SIMPLE IRA. After you have completed two years of participation, you may transfer your SIMPLE IRA to a traditional IRA tax-free, or, subject to tax, to a Roth IRA.

3. Transfers Incident to Divorce

If you are the spouse or former spouse of an IRA Account Holder and you receive a transfer of an interest in that IRA under a divorce decree (or related document), the transfer is not a distribution and is tax-free. Upon the transfer, the IRA will be treated as your IRA and you will be subject to taxation upon distribution.

H. Rollovers of IRA Assets

Distributions from your IRA or other retirement programs typically are subject to taxation, as described in Section F above. You may be able to defer taxes on the distributions by completing a "rollover". A rollover is a tax-free movement from one retirement program to another. The rollover rules are complex. You should consult with your tax advisor about your situation.

You may roll assets into or out of your IRA subject to the following rules:

1. Timing

Generally, you must make a rollover contribution within 60 days of the date you receive a distribution from an IRA or your employer's plan. If you do not make the rollover within this 60-day window, the distribution will be subject to income tax, as described in this disclosure statement, or for retirement plan distributions, in accordance with the information you received at distribution. The IRS may waive the 60-day requirement in the event of a casualty, disaster or another event beyond your reasonable control, as provided in IRS Revenue Procedure 2003-16.

2. No Tax Deduction

Generally, you do not include the amount rolled over in your income and you cannot take a tax deduction for the year the rollover was completed. However, a conversion from a traditional, SEP or SIMPLE IRA to a Roth IRA is subject to tax.

3. Rollover From an IRA to an IRA

a. Types of IRAs

You may complete a tax-free rollover between traditional IRAs, between SIMPLE IRAs or from a SEP-IRA to a traditional IRA. In addition, after two years of participation in your employer's SIMPLE plan, you may roll over your SIMPLE IRA to a traditional IRA.

b. Eligible Rollover Distribution

Most distributions from your traditional (or SEP-IRA or SIMPLE IRA) are eligible for rollover to a traditional IRA. However, a distribution will not qualify for rollover if it is an RMD payment, a corrective distribution, or a payment in a series of substantially equal annual or more frequent distributions made over your life or life expectancy, over the joint life or life expectancy of you and your beneficiary, or over a period of 10 years or more.

c. Waiting Period Between Rollovers

You may take a distribution of assets from a traditional IRA and make a rollover contribution of all or part of the assets to another traditional IRA. You are limited to one such rollover in any twelve consecutive month period. The one-year period begins on the date you receive the IRA distribution, not on the date you rolled it over into another IRA. This rule applies to each separate IRA you own. However, this rule does not apply to conversions to a Roth IRA or a recharacterization.

d. Partial Rollovers

If you withdraw assets from your IRA, you can roll over part of the withdrawal tax free and keep the remainder of the assets. The amount you keep may be subject to taxation and, if the assets are taken as an early distribution, an additional 10% (or 25%, for certain SIMPLE IRA distributions) penalty tax, unless an exception applies.

e. Rollover of Securities

For rollovers between IRAs, you must roll over to the new IRA the same securities or other property you received from your old IRA. For example, if you received stock from your old IRA, you must use the same stock for the contribution to your new IRA. The IRA custodian may, in its sole discretion, refuse to accept particular securities or property if sound administration or custody of the investment is not feasible, the investment presents burdensome valuation problems, or is otherwise prohibited by law.

4. Rollover From an Employer Plan to an IRA

a. Types of Plans

You can rollover into a traditional or SEP-IRA all or part of an eligible rollover distribution you receive from a qualified plan, annuity plan, 403(b) or certain governmental 457 plans. (A rollover from an employer plan CANNOT be made to a SIMPLE IRA.)

b. Ineligible Rollovers

You may not roll over the following types of distributions to your traditional or SEP-IRA: required minimum distributions; corrective distributions of excess contributions or deferrals; hardship distributions; and payments that are part of a series of equal payments over a period of ten years or more, or over your life expectancy, or

over the joint life expectancy of you and your designated beneficiary. In addition, you may not roll over to your traditional or SEP-IRA any “designated Roth contributions” made to a 401(k) or 403(b) plan.

c. Rollover by Spouse Beneficiary

If you are the beneficiary of a participant’s account in an employer plan and you are the spouse of the deceased participant, you may be permitted to roll over the assets into your traditional or SEP-IRA.

d. Rollover by Non-Spouse Beneficiary

If you are the beneficiary of a participant’s account in an employer plan and you are not the spouse of the deceased participant, you may be permitted to roll over the assets into an inherited IRA. The rollover must be accomplished by a direct trustee-to-trustee transfer and the deceased participant’s plan must permit this type of rollover.

e. Rollover by Alternate Payee

If you are the alternate payee under a qualified domestic relations order and are eligible to receive a distribution from an employer plan, you may be permitted to roll over the assets into a traditional IRA.

f. Rollover of Property

If you receive an eligible distribution from an employer plan that consists of property other than cash, you may be permitted to roll over the property into your IRA. You may also sell the property and roll over the cash proceeds into your IRA. The gain or loss on the sale of the stock is not recognized if the rollover is for the entire amount.

g. After-Tax Amounts

You may roll after-tax contributions, other than designated Roth contributions, to a traditional IRA. However, after-tax contributions cannot be rolled from an IRA back to an employer plan.

h. Partial Rollover

If you prefer, you may roll over part of the distribution tax-free and keep the rest of it. The amount you keep is generally subject to the normal taxation rules for such plan payments in the year it is paid to you. It does not qualify for special averaging or long-term capital gain treatment. Any taxable amount you keep may be subject to an additional 10% penalty tax if you receive it before age 59½, unless an exception applies. Also, 20% of any taxable amount that is not transferred in a direct rollover will be withheld and applied against your taxes.

5. Rollover from an IRA to an Employer Plan

a. Types of Plans

Subject to the employer plan’s rules, you can rollover an eligible rollover distribution from a traditional or SEP-IRA into a qualified plan, annuity plan, 403(b) or certain governmental 457 plans. In addition, after two years of participation in your employer’s SIMPLE plan, you may roll over your SIMPLE IRA distribution to such plans.

b. Eligible Rollover Distributions

You may not rollover the following types of distributions to an employer plan: required minimum distributions; corrective distributions of excess contributions; and payments that are part of a series of equal payments over a period of ten years or more, or over your life expectancy, or over the joint life expectancy of you and your designated beneficiary.

c. Limits On After-Tax Amounts

Nondeductible IRA contributions (or after-tax contributions to an employer’s plan that were previously rolled to your IRA) cannot be rolled from the IRA to an employer plan.

d. Partial Rollovers

If you withdraw assets from your IRA, you can roll over part of the withdrawal tax free and keep the remainder of the assets. The amount you keep may be subject to taxation and, if the assets are taken as an early distribution, an additional 10% penalty tax, unless an exception applies.

e. Waiting Period Between Rollover Distributions

The 12-month limit on rollover distributions discussed above in Section H.3.c. also applies to rollovers from an IRA to an employer’s plan.

f. Plans Rules Will Apply

Employer plans are not required to accept rollovers from IRAs. Distributions that are rolled over to an eligible retirement plan will become subject to that plan’s rules, including the rules on form of assets acceptable (cash or property), investment and withdrawals. Consult the plan trustee or custodian for more information.

I. Conversions

1. Conversion from a Traditional, SEP or SIMPLE IRA to a Roth IRA

Any or all of a traditional, SEP or SIMPLE IRA may be converted to a Roth IRA unless (i) your MAGI for the year the contribution is distributed from the traditional, SEP or SIMPLE IRA exceeds $100,000 or (ii) you are married, lived with your spouse at some time during the taxable year, and file a separate tax return. Any required minimum distribution you receive from an IRA or an eligible retirement plan is disregarded for purposes of determining whether you are eligible to make a conversion to a Roth IRA.

However, a SIMPLE IRA cannot be converted to a Roth IRA until you have two years of participation in your employer's SIMPLE plan.

You may make the conversion by instructing the custodian or trustee to change the designation of your traditional, SEP, or SIMPLE IRA to a Roth IRA, if the Roth IRA is offered by the same custodian or trustee. Otherwise, you may convert by making a rollover or transfer from a traditional, SEP or SIMPLE IRA to a Roth IRA. The amount of the conversion, minus any return of basis, is taxable as ordinary income in the year the conversion occurs. (If you make the conversion by rollover, the tax is imposed for the year the rollover distribution occurs.) The 10% penalty tax on early withdrawals does not apply to such conversions.

Caution: Any withdrawal of conversion amounts from your Roth IRA within the 5-year period beginning on the first day of the taxable year in which the contribution is made would be subject to the 10% penalty tax on early distributions for the entire amount of the conversion and earnings attributable to the withdrawal, if no exception applies.

2. Upcoming Change in Rules

Effective January 1, 2010, individuals are allowed to convert a traditional IRA to a Roth IRA regardless of a participant's gross income or filing status. The law eliminates the requirement that married taxpayers must file joint returns and removes the $100,000 MAGI limit on the conversion from a traditional IRA to a Roth IRA. Participants who perform a conversion in 2010 are given an option to include the taxable amount in their gross income and spread it out over a two-year period, with the first year beginning 2011.

3. Reconversion

You cannot convert and reconvert an amount during the same tax year or, if later, during the 30-day period following a recharacterization. If you reconvert during either of these periods it will be a failed conversion. A failed conversion is includible in income and is subject to penalties.

J. Recharacterizations

A recharacterization will permit you to treat a contribution made to one type of IRA as having been made to a different type of IRA. Recharacterizations are subject to the following rules:

1. Trustee-to-Trustee Transfer

To recharacterize a contribution or a conversion contribution, you must have the contribution transferred from the first IRA (the one to which the contribution was originally made), to the second IRA in a trustee-to-trustee transfer.

2. Timing

If the transfer is made by the due date (including extensions) for your tax return for the year during which the contribution was made, you may elect to treat the contribution as having been originally made to the second IRA instead of the first IRA. If you have already filed your income tax return for the year, you must file an amended tax return for the year of the contribution by the filing deadline for amended returns.

3. Previous Tax-Free Transfers

An amount that was previously moved in a tax-free transfer, such as a rollover, generally cannot be recharacterized. However, if you mistakenly roll over or transfer an amount from a traditional IRA to a SIMPLE IRA, you can later recharacterize the amount as a contribution to another traditional IRA.

4. Recharacterizing Employer Contributions

You may not recharacterize employer contributions (including elective deferrals) under a SEP or SIMPLE IRA as contributions to another IRA.

5. How to Recharacterize

You must notify both the trustee of the first IRA and the trustee of the second IRA that you have elected to treat the contribution as if you made it to the second IRA. You must make the notification, in a form acceptable to us, by the date of the transfer.

6. Reporting a Recharacterization

You must report the recharacterization on Form 8606.

K. Designation of Beneficiary

You may designate any person or entity to be your beneficiary to receive your IRA upon your death, subject to the following rules:

1. Designation of Beneficiary

You may designate a beneficiary on the IRA application.

2. Modification of Beneficiary Designation

You may modify the beneficiary designation by completing a beneficiary form. Changes to the beneficiary designation must be received by us (or our designated agent) during your lifetime.

3. No Beneficiary Designation

If you have not designated a beneficiary prior to your death or your designation is not effective for any reason, the beneficiary will be your surviving spouse, or if none, the beneficiary will be your estate.

4. Beneficiary May Designate Own Beneficiary

Upon your death, your designated beneficiary may designate his or her own beneficiary to receive any remaining assets in the IRA.

5. Effect of Divorce

If your designated beneficiary is your spouse and you divorce, your ex-spouse will remain as your designated beneficiary until you revise your beneficiary designation. Changes to the beneficiary designation must be received by us during your lifetime.

L. Inherited IRA

Your beneficiary will inherit your IRA at your death.

1. Tax Effect

Your beneficiary must include any taxable distribution in gross income. Certain distributions are required, as described in Section M below.

2. IRA Inherited From Spouse

If you inherit a traditional, SEP or SIMPLE IRA from your spouse you may:

a. Treat the IRA as your own by designating yourself as the Account Holder (you will not be treated as a beneficiary for purposes of the IRA rules);

b. Treat it as your own by rolling it over into your traditional IRA, or to the extent it is taxable, into a qualified employer plan, qualified employee annuity plan, tax-sheltered annuity plan, or eligible deferred compensation plan; or

c. Treat yourself as the beneficiary rather than treating the IRA as your own.

3. IRA Inherited From Non-Spouse

If you inherit an IRA from someone other than your spouse, you may not treat the IRA as your own. You cannot rollover any amounts in or out of the IRA, or make contributions to the IRA. However, you can make a trustee-to trustee transfer as long as the IRA into which the amounts are being moved is set up and maintained in the name of the deceased IRA Account Holder for the benefit of you as the beneficiary.

4. Separate Accounts

If you name multiple beneficiaries, they may each establish separate accounts for their portion of the IRA.

5. Non-Spouse Beneficiary under an Employer's Plan

You may also establish an inherited traditional IRA to receive a direct trustee-to-trustee transfer of amounts inherited under an employer's retirement plan. This type of inherited IRA is subject to special required minimum distribution rules, as described in Section M.

6. Minor or Disabled Beneficiaries

If the beneficiary designated to receive payments is a minor child or declared incapacitated or incompetent by the court, we may follow the direction of a court appointed guardian or legally appointed representative, including payment and investment direction. We will not be liable for any loss which may result from any investment, liquidation, or distribution made by us in good faith under this paragraph.

7. Investment Control

See Section R. Following your death, your beneficiary will have investment responsibility.

M. Required Minimum Distributions (RMD) for Beneficiaries

The beneficiary of your traditional, SEP or SIMPLE IRA is required to take certain distributions, to avoid additional tax penalties. The rules that apply depend on when you die – before or after your required beginning date.

1. Death Before Your Required Beginning Date

If you die before your required beginning date, the April 1 of the year following the year you reach age 70½, your beneficiary must direct that payment of his/her benefits be made or started no later than December 31 of the year following the year of your death with annual distributions of at least the required minimum distribution described below (the "life expectancy rule"). If, however, there is no designated beneficiary (as defined below) or your designated beneficiary is not an individual, the entire balance of the IRA must be paid by December 31 of the year in which occurs the fifth anniversary of your death (the "5-year rule").

Special Rule 2009. Your beneficiary is not required under federal law to take a required minimum distribution for 2009, due to relief enacted by Congress in late 2008. In addition, if in 2009 a beneficiary is satisfying the required minimum distribution rules by taking full distribution of his or her interest by the end of the calendar year containing the fifth anniversary of the Participant's death, the beneficiary may now take the full distribution over a six year period.

Special rules apply if your surviving spouse is your sole designated beneficiary. In this case, your surviving spouse may wait until the December 31 of the year you would have reached age 70½ to start receiving traditional, SEP or SIMPLE IRA RMD payments. If your surviving spouse is your sole beneficiary and dies after you but before his or her payments are required to begin, subsequent payments to the surviving spouse's beneficiaries will be made as if the surviving spouse had been you.

Under the life expectancy rule, the yearly required minimum distribution for each designated beneficiary is calculated by dividing the IRA account balance as of the close of business on December 31 of the previous year by the applicable distribution period. The applicable distribution period depends on the beneficiary's identity.

If your surviving spouse is the sole designated beneficiary of your IRA, the distribution period is the life expectancy listed in "Table 1 (Single Life Expectancy)" for the spouse's age as of the spouse's birthday in the year for which the distribution is being made. Table I can be located in IRS Publication 590. (Special rules apply to the minimum distributions after the death of your surviving spouse.)

If the designated beneficiary is an individual other than your spouse, the distribution period for the year following the year of your death is the life expectancy listed in "Table I (Single Life Expectancy)" for the beneficiary's age as of his or her birthday in that year, reduced by one for each subsequent year.

Special Rules for Inherited IRAs Established by a Non-Spouse Beneficiary with Inherited Funds Transferred from an Eligible Retirement Plan. The yearly required minimum distribution from this type of inherited IRA depends on the eligible retirement plan's rules for determining required minimum distributions and, in some cases, when the non-spouse beneficiary made the direct rollover to the inherited IRA.

If the eligible retirement plan uses the life expectancy rule to determine required minimum distributions for beneficiaries, then the yearly required minimum distribution for the non-spouse beneficiary is calculated by dividing the IRA account balance as of the close of business on December 31 of the previous year by the applicable distribution period. The applicable distribution period is the beneficiary's life expectancy listed in "Table 1 (Single Life Expectancy)" for the beneficiary's age as of his or her birthday in the calendar year immediately following the calendar year of death of the plan participant, reduced by one for each subsequent year.

If the eligible retirement plan uses the 5-year rule to determine required minimum distributions for beneficiaries, then if the non-spouse beneficiary made the rollover to the inherited IRA before the end of the calendar year immediately following the calendar year in which the death of the plan participant occurred, the beneficiary can elect to have required minimum distributions from the inherited IRA determined under the life expectancy rule or the 5-year rule. However, if the non-spouse beneficiary made the rollover to the inherited IRA in the second through fourth calendar years following the calendar year in which the death of the plan participant occurred, the beneficiary must use the 5-year rule under the inherited IRA.

2. Death After Your Required Beginning Date

If your death occurs on or after your required beginning date, the April 1 of the year following the year you reach 70½, the beneficiary of your IRA must receive payment for each year following the year of your death.

Special Rule for 2009. Your beneficiary is not required under federal law to take a required minimum distribution for 2009, due to relief enacted by Congress in late 2008.

The following rules also apply to an inherited IRA established by a non-spouse beneficiary with inherited funds transferred from an eligible retirement plan when the plan participant died after his/her required beginning date under the retirement plan. In that case, references below to “you” and “your” refer to the employer-sponsored retirement plan participant and to “beneficiary” refer to the individual who inherited the funds and made the transfer to the inherited IRA.

The yearly required minimum distribution for each designated beneficiary is calculated by dividing the IRA account balance as of the close of business on December 31 of the previous year by the applicable distribution period. The applicable distribution period depends on the beneficiary’s identity.

If your surviving spouse is the sole designated beneficiary of your IRA, the distribution period is the life expectancy listed in “Table 1 (Single Life Expectancy)” for the spouse’s age as of the spouse’s birthday in the year for which the distribution is being made. Table 1 can be located in IRS Publication 590. (Special rules apply to the minimum distributions after the death of your surviving spouse.)

If the designated beneficiary is an individual other than your spouse, the distribution period of the year following the year of your death is the life expectancy listed in “Table 1 (Single Life Expectancy)” for the beneficiary’s age as of his or her birthday in that year, reduced by one for each subsequent year.

However, if your remaining life expectancy for a given year is greater than the life expectancy of your designated beneficiary for that year (as calculated above), the required minimum payment to your beneficiary is determined by using your remaining life expectancy. Your remaining life expectancy is calculated by using your age as of your birthday in the year of your death and referring to “Table 1 (Single Life Expectancy)”. This amount is reduced by one for each subsequent year.

If your beneficiary is not an individual (for example, if the beneficiary is your estate or a charity) or if you have not designated beneficiary, required minimum payments are determined using your life expectancy, as described above.

3. Designated Beneficiary

Under the RMD rules, your “designated beneficiary” is determined based on the remaining beneficiaries of your IRA as of the September 30th of the year following the year of your death. Any beneficiary who was a beneficiary on your date of death, but is not a beneficiary as of the September 30th of the year following your death (for example due to receiving payout of the complete benefit due to such beneficiary), is not taken into account for RMD purposes.

4. Penalty For Failure to Take RMD

If in any taxable year after your death, your designated beneficiary fails to withdraw the required minimum distribution from the IRA, a 50% nondeductible penalty may be imposed by the IRS on the difference between the amount that should have been distributed and the amount actually distributed.

N. Federal Estate and Gift Tax

You should consult with your tax or legal advisor regarding federal estate and gift tax matters.

1. Federal Estate Tax

Your IRA is fully includible in your gross estate and subject to federal estate taxes, just as any other asset. However, for a death in 2008, there is no federal estate tax if your total estate and prior taxable gifts do not exceed $2,000,000 (for a death in 2009, $3,500,000).

2. Gift Tax

The gift tax exclusion for distributions is applicable to an IRA. In addition, the designation of a beneficiary of an IRA is not considered a gift tax transfer of property for federal gift tax purposes.

O. Prohibited Transactions

A prohibited transaction is any improper use of your IRA and includes direct or indirect transactions between you, your beneficiaries or your family members and your IRA.

1. Examples

Prohibited transactions include borrowing money from your IRA; selling property to your IRA; buying property from your IRA; receiving unreasonable compensation for managing your IRA; and using your IRA as security for a loan.

2. Effect on IRA

If a prohibited transaction occurs in a year, the IRA will lose its tax-deferred status and you will be required to include the value of the account on the first day of the year in your income for the year the tax-deferred status was lost (other than any non-deductible contributions). If you pledge your IRA as security for a loan, the portion of your IRA that was pledged must be included in your income for the year it was pledged (other than non-deductible contributions). You may also be subject to other taxes including an additional 10% penalty tax on the taxable amount if you are under age 59 ½, unless an exception applies.

P. Additional Taxes

1. Early Distributions

Early distributions are amounts distributed from your traditional, SEP or SIMPLE IRA before you attain age 59 ½. A 10% additional tax will apply to certain distributions made before you attain age 59½, unless an exception applies. In addition, if you take a distribution from your SIMPLE IRA in the first two years after the date of the first contribution under your employer's SIMPLE plan, the penalty is 25% instead of 10%.

Generally, you will not pay the additional tax for a distribution made:

a. to pay unreimbursed expenses exceeding 7.5% of your adjusted gross income for your medical care (or that of your spouse or dependents).

b. to pay medical insurance premiums after losing your job in certain situations.

c. after your disability. You are considered disabled for purposes of the exception if you cannot do any substantial gainful activity because of your physical or mental condition, which is expected to be of long-continued or indefinite duration or lead to death.

d. after your death.

e. as part of a series of substantially equal periodic payments for your lifetime or the lifetimes of you and your beneficiary.

f. to pay certain qualified first-time homebuyer amounts (limited to $10,000 in your lifetime).

g. to pay for certain qualified higher education expenses for you, your spouse, and you or your spouse's children and grandchildren.

h. to the IRS due to a tax levy.

i. under special disaster relief, such as qualified hurricane distributions.

j. as qualified reservist distributions under Code section 72(t)(2).

You should consult with your tax advisor to see if your distribution qualifies for one of these exemptions to the early distribution penalty tax, as many special rules apply.

2. Tax on Excess Contributions

An excess contribution is one that exceeds the annual amount you are allowed to contribute to all of your traditional and Roth IRAs. If the excess contributions for a year are not withdrawn by the date your return for the year is due, you are subject to a 6% tax. You must pay the 6% tax each year on excess amounts that remain in your IRA at the end of the year.

You may correct the excess contribution and avoid the 6% tax by withdrawing the amount of the excess and any earnings before the tax-filing deadline (including extensions) for the tax year the contribution was made. You also must include the withdrawn earnings in your gross income for the year in which you contributed. You are responsible for computing the earnings and providing the figure to us on your completed distribution form. You may also owe the IRS a 10% premature distribution penalty tax on the earnings, even if you removed them before the tax-filing deadline.

If you fail to meet the timely correction deadline, you must pay a penalty tax of 6% of the excess contribution for the year of the contribution. You will also have to pay the 6% penalty tax for each later year, if an excess is still in the IRA at the end of that year. The excess may be eliminated by either: (i) making reduced IRA contributions in future years (but not past years), or (ii) withdrawing the excess contribution from the IRA.

You should consult with your tax advisor about the tax consequences of late correction. If the excess in your IRA is the result of an attempted rollover and the excess occurred because the retirement plan provided you with incorrect information regarding your rollover amounts, you may withdraw the excess amount. You may have to amend your income tax return for the year in which the excess contribution occurred. Any excess withdrawn as a result of incorrect rollover information should not be included in your gross income for the year of the withdrawal.

3. Reporting

You must file a Form 5329 with Form 1040 if you owe the additional tax on early distributions or the tax on excess contributions.

Q. Financial Disclosure

1. Available Assets

The amount of money that will be available at any period of time depends on:

a. the amount of contributions;

b. total years of participation;

c. earnings, including interest, dividends, realized and unrealized gains, and losses; and

d. expenses incurred for brokerage commissions and applicable trustee's fees.

Due to the many kinds of investments that you may choose, neither a guaranteed return nor a projected amount can be furnished.

2. Fees

We charge annual and other fees for your IRA. Please refer to the current fee schedule. If you fail to pay our compensation, taxes, and/or expenses within a reasonable time after demand for payment is made, we reserve the right to charge the expenses to the Trust and liquidate such assets of the Trust as needed to satisfy the demand. The custodian will collect all fees, expenses, and taxes as directed by us. Such collection of fees by the custodian may be made without your approval or direction. We reserve the right to revise the fee schedules and will provide sufficient advance written or electronic notice of any revision to you. Brokerage commissions are considered a separate cost and are in addition to the above fees charged by the Trustee. Questions about brokerage commissions should be discussed with your broker or account executive before any orders are executed.

3. Annual Earnings

To compute annual earnings: Compare the year-end market value to the prior year's market value; add any interest or dividends earned for your total account.

R. Investments

1. Investment Responsibility

It is your responsibility to select and direct the investments of the Trust, either in person or through a broker, account executive or investment advisor, according to the procedures currently in effect. The investments you choose must conform to the Trust Agreement. Investments that do not generate confirmations must be accompanied by additional written instructions. It is your responsibility to make sure that the investments you select do not cause the IRA to participate in a prohibited transaction, such as by extending credit to the IRA or engaging in a "call" transaction.

2. Impermissible Investments

No part of your IRA may be invested in the following:

a. Collectibles within the meaning of section 408(m) except for certain coins and bullion defined in section 408(m)(3). Any impermissible investments in collectibles will be treated as a distribution.

b. Life insurance contracts or commingled with other property, except in a common trust or common investment fund, described in section 408(a)(5).

Other types of investments may also be prohibited or limited, as provided in the Trust Agreement.

3. Investment Information

Although the brokerage firm may provide investment information to you, any information provided to you by the brokerage firm should not serve as a primary basis for your investment decisions. Any questions concerning the authority of your broker should be directed to the brokerage firm. The broker is not an employee of Principal Trust Company, and Principal Trust Company does not supervise or control the activity of the broker. It is our understanding that you will exercise independent judgment when you make your investment decisions.

4. Investment Performance

No projection of the growth in value of your IRA can reasonably be made or guaranteed. The value of your IRA and the growth in value of the IRA is dependent solely on the performance of the investments chosen by you.

S. Duties Not Assigned

We will not be responsible for voting proxies, receiving or mailing proxy materials, filing reports, returns or disclosures with any government agency unless we are required to do so under applicable law. Proxies and proxy material that are received by us will be destroyed.

T. Additional Information

1. **State Laws**

   The tax laws of certain states and local governments may be different from the federal tax laws for IRAs. State and local laws are not covered in this disclosure statement.

2. **Definition of Spouse**

   As required by federal tax law, when the term "spouse" is used in this disclosure statement, it is limited to the person of the opposite sex to whom you are legally married.

3. **Legal Incapacity**

   If you (or after your death, your beneficiary) is legally incapacitated, then we may require that any and all rights that the incapacitated individual could exercise under the Trust Agreement or at law be exercised by the incapacitated individual's representative. We may rely on the authority and direction of such representative for all action taken with respect to the IRA.

4. **IRS Information**

   The IRS has a number of helpful Publications on IRAs, including IRS Publication 590, IRS Publication 575 and IRS Publication 939. These publications are available at any IRS district office, on line at www.irs.gov or by calling 1-800-TAX-FORM.

5. **Legal and Tax Advice**

   You are responsible for determining the legal and tax implications of (i) the type of IRA you have selected, (ii) your eligibility to contribute to, or receive contributions under, such IRA, (iii) the amount of contributions made to the IRA and whether such contributions are deductible, (iv) the tax treatment of any withdrawals from your IRA, and (v) any other tax treatment. We have not, and may not, provide you with legal or tax advice.

6. **Written Notices**

   Any required notice regarding the trust will be considered effective when we (or our designated agent) mail it to the last address of the intended recipient which is contained in our records. We may provide notice to you in another format, including but not limited to electronic mail. Any electronic notice will be deemed effective when transmitted to the last e-mail or other electronic address in our records. You acknowledge that any notice provided electronically to you (or your beneficiary) will be deemed to have been provided in writing for purposes of this IRA and applicable federal and state laws. Any notice to be given to us must be provided in writing and will be considered effective when we actually receive it. You and/or your beneficiaries must notify us (or our designated agent) of any change of address in a manner acceptable to us.

7. **Future Amendments**

   We may make any amendments to the Trust Agreement we deem advisable, including but not limited to, changes that are required to keep your IRA in compliance with applicable laws. You will be notified of any such amendments.

DISCLOSURE STATEMENT FOR ROTH IRA

This Disclosure Statement provides you, and your beneficiaries after your death, a summary of the basic rules and regulations governing your Delaware Charter Guarantee & Trust Company d/b/a Principal Trust Company (Principal Trust Company) Self-Directed Roth Individual Retirement Account (IRA). It also contains important federal tax and legal information. However, the applicable Self-Directed Individual Retirement Trust Agreement (Trust Agreement) for your Roth IRA will govern your IRA. If there is a discrepancy between the Trust Agreement and Disclosure Statement, the Trust Agreement will control.

Principal Trust Company cannot give tax or financial advice. We strongly encourage you to consult with your tax or legal advisor before you establish an IRA.

When used in this document, the words *you* and *your* refer to the person for whom the IRA is established. *We*, *us*, and *our* refer to Principal Trust Company as trustee of your IRA.

Traditional, SEP and SIMPLE IRAs are described in a separate disclosure statement.

Your Right to Revoke Your IRA

You may revoke your IRA within seven days of the date you establish the IRA. If you revoke your IRA, we will return all of your funds, without adjustment for items such as sales commissions, administrative expenses (including the acceptance fee), or fluctuation in market value.

Your notice of revocation must be put in writing, signed by you, and delivered to us.

The notice may be mailed to us at the following address:

IRA Processor
Principal Trust Company
P.O. Box 8963
Wilmington, DE 19899-8963

You may also send the notice by courier at the following address:

IRA Processor
Principal Trust Company
1013 Centre Road
Wilmington, DE 19805

If you mail the notice, we will use the date of the postmark (or the date of certification or registration for certified or registered mail) as the date of the notice. You may call us at (800) 209-9010 or (302) 995-2131 if you have questions.

A. Roth Contributions – General Rules

Annual contributions to your Roth IRA must be in the form of cash, checks, money orders, or electronic fund transfers. (You cannot contribute other assets, except in a transfer or a rollover as described in Sections D and E.) Roth IRA contributions are subject to the following limitations and restrictions:

1. Contribution Eligibility

You may establish a Roth IRA if you (or your spouse, if filing a joint return) receive taxable compensation for the year and meet the income restrictions described in Section B. There is no age limit.

2. Annual Contribution Limits

If you are eligible to make Roth IRA contributions, the maximum amount you may contribute to all of your traditional and Roth IRAs for a year is the lesser of the maximum contribution limit in effect for the taxable year, as described below, or 100% of your compensation. If you are age 50 or older by the end of the applicable year, the annual contribution limit is increased, as described below (subject to the 100% of compensation limit). You may make these extra “catch-up” contributions regardless of your past contribution history.

3. Maximum Annual Contribution Limits

The maximum contribution limit is as follows:

Tax Year	Maximum Annual Contribution	Maximum Annual Contribution Age 50 or Older
2008	$5,000	$6,000
2009	$5,000	$6,000

For years after 2009, the contribution limit will be adjusted by the Secretary of Treasury for cost-of-living increases. The adjustments will be in multiples of $500.

You may contribute less than the maximum contribution for a year.

4. Compensation

For purposes of the contribution limits, Compensation includes wages, salaries, tips, professional fees, bonuses, and other amounts derived from or received for personal services, commissions, and self-employment (earned) income. When determining compensation for self-employed individuals, any amounts taken as a deduction for contributions made to a self-employed retirement plan must be subtracted from net earnings. Compensation also includes any taxable alimony and separate maintenance payments you receive under a divorce decree or separate maintenance.

Compensation includes combat-zone compensation that is excluded from income for federal income tax purposes. (You may be able to make an additional contribution to your IRA by May 28, 2009, if you received nontaxable combat pay in 2004 or 2005.) Beginning January 1, 2009, compensation also includes certain differential wage payments (or military supplemental pay) paid by an employer to an individual while on active duty for a period of more than 30 days.

Compensation does not include earnings and profits from property, interest and dividend income, pension or annuity income, or deferred income. In addition, compensation does not include any income from converting a traditional IRA to a Roth IRA.

5. Additional Contribution for Employer Bankruptcies

If you participated in a 401(k) plan and the employer that maintained the plan went into bankruptcy, you may be able to contribute an additional $3,000 to your Roth IRA for taxable years through 2009, if the following conditions are met:

a. You must have been a participant in a 401(k) plan under which the employer matched at least 50 percent of your contributions to the plan with stock of the company;
b. You must have been a participant in the 401(k) plan six months before your employer filed for bankruptcy;
c. Your employer (or a controlling corporation) must have been a debtor in a bankruptcy case in a preceding year; and
d. Your employer, or another person, must have been the subject to indictment or conviction based on business transactions related to the bankruptcy.

If you make these additional contributions, you are not eligible to make catch-up IRA contributions for that year, even if you are age 50 or older.

6. Spousal IRA Limit

If you are married and you file a joint federal income tax return, you may also contribute to your spouse's Roth IRA, if you satisfy the income restrictions in Section B. The contribution may not exceed the contribution limit in effect for the tax year and the combined IRA contribution for you and your spouse may not exceed 100% of your combined compensation.

However, if you and your spouse did not live together at any time during the year and did not file a joint federal income tax return for that year, you and your spouse will be treated as unmarried for purposes of the IRA contribution limits for that year.

7. Special Rules

Certain special rules apply that may allow you to make additional contributions to your Roth IRA:

a. If you received (i) a military death gratuity (under 10 United States Code 1477) or (ii) Servicemembers' Group Life Insurance payments, you may contribute such amounts to your Roth IRA, even if you are not otherwise eligible to make Roth IRA contributions due to your income or the annual contribution limits. The contribution must be made to the Roth IRA within one year after the payment was made, with certain exceptions. The amount contributed cannot exceed the total of such amounts you received in the last 12 months, reduced by amounts so received that were contributed to another Roth IRA or a Coverdell Education Savings Account.
b. Certain payments by a commercial passenger airline carrier to its employees or former employees who participated in the carrier's defined benefit pension plan may be contributed to a Roth IRA, even if the employee is not otherwise eligible to make Roth IRA contributions due to the income or annual contribution limits.

These special rules are also subject to additional requirements and limitations. You should consult with your tax or legal advisor to see if you are eligible.

8. **Due Date for Contributions**

Contributions may be made at any time during the year or by the due date for filing your federal tax return for that year, not including extensions. For most taxpayers, the due date will be April 15 of the following year. If an amount is contributed to your traditional IRA between January 1 and April 15, you must inform us for which year (the current or prior year) the contribution is for, otherwise we will assume and report to the IRS, that the contribution is for the year in which it was received in our office.

9. **Corrective Withdrawals**

You may make a tax-free withdrawal of any contribution you make to your Roth IRA for a year if you withdraw the contribution, together with any earnings on it, by the due date (including extensions) for filing your federal income tax return.

The contribution you withdraw is not included in your income as an IRA distribution, but you must include any earnings on the contribution as ordinary income for the year you made the contribution. The earnings also are subject to a 10% penalty tax on early distribution if you are under age 59½, unless an exception applies. See Section M.

10. **Responsibility of the Trustee Regarding Contributions**

You must tell us how all contributions are to be invested. All contributions received will be held and administered by us pursuant to the terms of the Trust Agreement. We are not responsible for the computation and collection of any contributions under the IRA.

12. **Tax Saver's Credit**

You may be able to take a nonrefundable tax credit up to $1,000 per year for contributions made to your Roth IRA and certain other plans. To be eligible for the credit, you must be age 18 or older, not a full time student and not listed as a dependent on another taxpayer's return.

The tax credit generally equals your "percentage rate" times your "qualified retirement savings contributions". Qualified retirement savings contributions include your Roth IRA contributions and contributions to certain other plans. But certain distributions from such plans reduce your qualified retirement savings contributions for the year. In addition, the total contribution taken into account for this credit is $2,000.

The percentage rate for the credit is based on your modified adjusted gross income ("MAGI"), as defined in the tax code, and is subject to phase-outs, as listed under the following table:

MAGI Phase-Outs				
	Married Filing Joint MAGI	**Head of Household MAGI**	**Single, Married Filing Separately, or Qualifying Widow(er) MAGI**	**Percentage Rate**
2009	$0 and $33,000	$0 and $24,750	$0 and $16,500	50%
	$33,001 and $36,000	$24,751 and $27,000	$16,501 and $18,000	20%
	$36,001 and $55,500	$27,001 and $41,625	$18,001 and $27,750	10%
	Over$55,500	Over $41,625	Over $27,750	No Credit Available

For years after 2009, the MAGI phase-outs are subject to cost-of-living adjustments.

The requirements for this tax credit are very complex. You should consult with your tax adviser about your situation.

B. Income Limitations on Roth IRA Contributions

Federal law limits your ability to make Roth IRA contributions if your compensation is within (or above) certain income levels. Depending on your compensation and tax filing status, you may not be able to make a Roth IRA contribution or may only be able to make a limited contribution (less than the maximum annual contribution limit stated in Section A above).

1. **Income Phase-Out**

If your compensation is within the income phase-out for your tax filing status for the year, you will only be able to make a partial Roth IRA contribution for the year. For 2009, the compensation phase-out ranges are as follows:

a. Single/Head of Household Filers. $105,000 to $120,000

b. Married Filing Jointly/Qualifying Widow(er) Filers. $166,000 to $176,000

c. Married Filing Separately. $0 to $10,000

For years after 2009, the compensation phase-out ranges are subject to cost-of-living adjustments.

2. Phase-Out Example

John, 37 and unmarried, made $117,000 (compensation) in 2009. His compensation was within the applicable phase-out range for the year ($105,000 to $120,000), so his Roth IRA contribution is limited. To calculate his allowable Roth IRA contribution, John first subtracts the lower number of phase-out range (here $105,000) from his compensation ($117,000), resulting in his "excess compensation" ($12,000).

Next, John applies the following formula:

$$\$5,000 - \frac{\text{Excess Compensation}}{\$15,000} \times \$5,000 = \text{Maximum allowable Roth IRA contributions}$$

(If John was eligible to make catch-up contributions, $6,000 would replace $5,000 in the formula above. In future years, if the maximum annual IRA contribution limit increases, the increased number would be used in this formula.)

The maximum allowable Roth IRA contribution is rounded down to the next lower multiple of $10 (ex. $938 is rounded down to $930). If the final result is between $0 and $200, the maximum allowable Roth IRA contribution is $200.

For John, in 2009:

$$\$5,000 - \frac{\$12,000}{\$15,000} \times \$5,000 = \$1,000$$

Therefore, John may make a $1,000 Roth IRA contribution in 2009. If he wished to make additional IRA contributions, they would have to be traditional IRA contributions.

Note that for filers other than single and head of household filers, the phase-out range is $10,000 and $10,000 replaces $15,000 in the formula above. Be sure to use the correct phase-out range for your tax filing status.

3. Compensation Below Phase-Out Range

If your compensation is below the phase-out range for your tax filing status for the year, you may make the full Roth IRA contribution otherwise allowed in Section A above.

4. Compensation Above Phase-Out Range

If your compensation is above the phase-out range for your tax filing status for the year, you may not make Roth IRA contributions for the year, except as may otherwise be provided in Section A above.

C. Payments from your Roth IRA

You have a non-forfeitable right to your Roth IRA at all times. You may request payment from your IRA at any time. The federal income taxation of your Roth IRA distribution depends on when and why you are taking a distribution.

1. Distributions of Roth IRA Contributions

You have already paid federal income tax on your Roth IRA contributions. As such, distributions of those Roth IRA contributions are not taxable.

2. Qualified Distributions of Earnings on Your Roth IRA Contributions

The earnings on your Roth IRA contributions will be subject to income tax, unless they are paid as a "qualified distribution". To be a qualified distribution, the following must be satisfied:

a. 5-Year Holding Period

You must have satisfied the 5-year holding period before the distribution. The 5-year holding period begins on the first day of the first tax year for which a contribution is made to any Roth IRA maintained for your benefit, including the first tax year in which a conversion contribution is made. If the contribution for a year is made by the due date for filing your tax return (without extensions), the first year of the holding period is the tax year to which the contribution relates, not the year in which it is actually made. (If you make the conversion by rollover, the holding period begins with the year the rollover distribution occurs.)

The 5-year holding period is not recalculated at your death, but continues through the period that the Roth IRA is held by your beneficiary. The holding period for an inherited Roth IRA is determined separately from the holding period for the beneficiary's other Roth IRAs. However, if a surviving spouse beneficiary treats a Roth IRA as his/her own, the spouse's five-year holding period is the earlier of the expiration of the holding period on the inherited Roth IRA or the expiration of the holding period on the spouse's own Roth IRAs.

b. Timing of the Distribution

The distribution is made:

- after you reach age 59½,
- after your death,
- after your disability (as defined Section M),
- for first-time homebuyer expenses for you, your spouse, or any child, grandchild, parent, grandparent, or other ancestor of your or your spouse. This is limited to $10,000. Certain other limitations apply.

3. Non-Qualified Distributions of Earnings on Your Roth IRA Contributions

If your distribution of Roth IRA earnings is not a "qualified distribution", then those earnings are taxable as ordinary income in the year received. In addition, an additional 10% early distribution tax penalty may result, unless an exception applies. See Section M. However, federal tax rules established an order of priority for amounts withdrawn. Withdrawals from Roth IRAs are treated as coming from regular contributions first, including any amounts rolled into the IRA in a qualified distribution from a designated Roth contribution account. Next, they are treated as coming from conversion contributions on a first-in-first-out basis. When the total amount withdrawn exceeds the amount of contributions to all of your Roth IRAs, the withdrawal will be attributed to investment earnings subject to ordinary income tax as a non-qualified distribution.

4. Payments of Converted Amounts

Amounts that were converted from a traditional IRA to a Roth IRA are subject to special rules. If you withdraw amounts that you converted during the 5-year period beginning on the first day of the taxable year in which the conversion was made, the withdrawal will be subject to the 10% early distribution tax penalty, unless an exception applies. See Section M.

5. No Required Minimum Distributions

Roth IRAs are not subject to the lifetime RMD rules that apply to traditional IRAs. However, following your death, your beneficiaries are required to take RMD payments, as described in Section J.

6. No Special Treatment for Lump Sum Distributions

The above taxation rules apply to all types of distribution, including lump-sum distributions. IRA distributions do not qualify for the special income tax rules (10-year averaging or long term capital gain treatment) that apply to certain lump-sum distributions from qualified retirement plans.

7. Transfer to a Health Savings Account

If you are eligible to make health savings account (HSA) contributions, you may qualify to make a tax-free transfer from your Roth IRA (or traditional IRA) to your HSA, a "qualified HSA funding distribution." The maximum qualified HSA funding distribution that you may make is your annual HSA contribution limit, based on your coverage level (self-only or family) at the time of the transfer. If you cease to be an "eligible individual" under the HSA rules within the 12-month period following your qualified HSA funding distribution, the amount transferred to the HSA will be subject to income tax and a 10% penalty tax (unless you cease to be an eligible individual due to your death or because you became disabled as defined by Sec. 72(m)(7) of the Internal Revenue Code). Generally, you may only make one qualified HSA funding distribution in your lifetime. The qualified HSA funding distribution must be made in a trustee-to-trustee transfer from your IRA to the HSA (the amounts cannot be paid to you). Additional rules apply. You should consult with an accountant, lawyer or other qualified tax advisor about your situation.

8. Qualified Charitable Distribution

For 2008 and 2009, if you are age 70½ or older, you may qualify to make a tax-free distribution of up to $100,000 per year from your IRA to a qualifying charity. The distribution must be paid to the qualifying charity directly by the IRA trustee, and can count towards any required minimum distribution you may need to receive for the year. Additional rules apply. The requirements for qualified charitable distributions are very complex, as are the potential effects of such a distribution on your current income tax and future financial situation. You should consult with an accountant, lawyer or other qualified tax advisor about your situation.

D. Transfers of Roth IRA Assets

1. Trustee to Trustee Transfer

You may transfer assets in your Roth IRA from one trustee directly to another. The transfer is not a rollover and is therefore not subject to the one-year waiting period that applies to rollovers as described below. There is no dollar limit on the amount you transfer or how often you can make a transfer.

The transfer is tax-free if it is between Roth IRAs. However, a transfer of a traditional IRA, SEP-IRA or SIMPLE IRA to a Roth IRA is a conversion (as discussed in Section F) and subject to tax.

2. Limitation on Transfers of SIMPLE IRAs

For the first two years that you participate in your employer's SIMPLE plan, you may only transfer your SIMPLE IRA to another SIMPLE IRA. After you have completed two years of participation, you may transfer your SIMPLE IRA to a Roth IRA, subject to tax.

3. Transfers Incident to Divorce

If you are the spouse or former spouse of an IRA Account Holder and you receive a transfer of an interest in that IRA under a divorce decree (or related document), the transfer is not a distribution and is tax-free. Upon the transfer, the IRA will be treated as your IRA and you will be subject to taxation upon distribution, as described above.

E. Rollovers of IRA Assets

Distributions from your Roth IRA may be subject to taxation, as described in Section C above. You may be able to defer taxes on the distributions by completing a "rollover". A rollover is a tax-free movement from one retirement program to another. The rollover rules are complex. You should consult with your tax advisor about your situation.

You may roll assets into or out of your Roth IRA subject to the following rules:

1. Timing

Generally, you must make a rollover contribution within 60 days of the date you receive a distribution from the Roth IRA or your employer's plan. If you do not make the rollover within this 60-day window, the distribution will be subject to income tax, as described in this disclosure statement, or for retirement plan distributions, in accordance with the information you received at distribution. The IRS may waive the 60-day requirement in the event of a casualty, disaster or another event beyond your reasonable control, as provided in IRS Revenue Procedure 2003-16.

2. No Tax Deduction

Generally, you do not include the amount rolled over in your income and you cannot take a tax deduction for the year the rollover was completed. However, a conversion from a traditional, SEP or SIMPLE IRA to a Roth IRA is subject to tax.

3. Rollover From a Roth IRA to a Roth IRA

You may complete a tax-free rollover between Roth IRAs, subject to the following rules.

a. Eligible Rollover Distribution

Most distributions from your Roth IRA are eligible for rollover to another Roth IRA. However, a distribution will not qualify for rollover if it is a corrective distribution.

b. Waiting Period Between Rollovers

You may take a distribution of assets from a Roth IRA and make a rollover contribution of all or part of the assets to another Roth IRA. You are limited to one such rollover in any twelve consecutive month period. The one-year period begins on the date you receive the IRA distribution, not on the date you rolled it over into another IRA. This rule applies to each separate IRA you own. However, this rule does not apply to conversions to a Roth IRA or a recharacterization.

c. Partial Rollovers

If you withdraw assets from your Roth IRA, you can roll over part of the withdrawal tax free and keep the remainder of the assets. The amount you keep may be subject to taxation and, if the assets are taken as an early distribution, an additional 10% penalty tax, unless an exception applies.

d. Rollover of Securities

For rollovers between IRAs, you must roll over to the new IRA the same securities or other property you received from your old IRA. For example, if you received stock from your old IRA, you must use the same stock for the contribution to your new IRA. The IRA custodian may, in its sole discretion, refuse to accept particular securities or property if sound administration or custody of the investment is not feasible, the investment presents burdensome valuation problems, or is otherwise prohibited by law.

4. Rollover From an Employer Plan to a Roth IRA

You may complete a tax-free rollover from an employer plan to a Roth IRA, subject to the following rules.

a. Designated Roth Contributions

You may rollover designated Roth contributions from an employer plan to a Roth IRA. Qualified employer plans and tax-sheltered annuities may allow participants to designate certain deferrals as "designated Roth contributions," which are similar to Roth IRA contributions, but some different rules apply. Distributions of designated Roth contributions may be rolled over to a Roth IRA or to another employer plan that accepts such rollovers, subject to certain limitations. However, if you roll designated Roth contributions into a Roth IRA, the amounts become subject to the Roth IRA rules, including the Roth IRA 5-year holding period requirement, even if

you had previously satisfied the 5-year holding period under the eligible retirement plan. For example, you establish your first Roth IRA to hold a qualified distribution of designated Roth contributions from your employer's retirement plan. Even though you had previously satisfied the 5-year holding period under your employer's retirement plan, you must now satisfy the Roth IRA 5-year holding period before you may receive a qualified distribution from your Roth IRA.

b. Amounts other than Designated Roth Contributions

You may qualify to complete a direct employer plan to Roth IRA conversion of amounts other than designated Roth contributions. See Section F.

c. Eligible Rollover Distributions

You may not roll over the following types of distributions to your Roth IRA: required minimum distributions; corrective distributions of excess contributions or deferrals; hardship distributions; and payments that are part of a series of equal payments over a period of ten years or more, or over your life expectancy, or over the joint life expectancy of you and your designated beneficiary.

d. Rollover by Spouse Beneficiary

If you are the beneficiary of a participant's account in an employer plan and you are the spouse of the deceased participant, you may be permitted to roll over the designated Roth contributions into your Roth IRA.

e. Rollover by Non-Spouse Beneficiary

If you are the beneficiary of a participant's account in an employer plan and you are not the spouse of the deceased participant, you may be permitted to roll over any designated Roth contributions into an inherited Roth IRA. The rollover must be accomplished by a direct trustee-to-trustee transfer and the deceased participant's plan must permit this type of rollover.

f. Rollover by Alternate Payee

If you are the alternate payee under a qualified domestic relations order and are eligible to receive a distribution of designated Roth contributions from an employer plan, you may be permitted to roll over the assets into a Roth IRA.

g. Rollover of Property

If you receive an eligible distribution of designated Roth contributions from an employer plan that consists of property other than cash, you may be permitted to roll over the property into your IRA. You may also sell the property and roll over the cash proceeds into your Roth IRA. The gain or loss on the sale of the stock is not recognized if the rollover is for the entire amount.

h. After-Tax Amounts

You may roll after-tax contributions, other than designated Roth contributions, to a traditional IRA. A rollover of after-tax amounts to a Roth IRA is a taxable conversion, as described in Section F.

i. Partial Rollover

If you prefer, you may roll over part of the distribution tax-free and keep the rest of it. The amount you keep is generally subject to the normal taxation rules for such plan payments in the year it is paid to you. It does not qualify for special averaging or long-term capital gain treatment. Any taxable amount you keep may be subject to an additional 10% penalty tax if you receive it before age 59½, unless an exception applies. Also, 20% of any taxable amount that is not transferred in a direct rollover will be withheld and applied against your taxes.

5. Rollover from an IRA to an Employer Plan

You cannot complete a rollover from a Roth IRA to an employer plan under federal law.

F. Conversions

1. Conversion from a Traditional, SEP or SIMPLE IRA to a Roth IRA

Any or all of a traditional, SEP or SIMPLE IRA may be converted to a Roth IRA unless (i) your modified adjusted gross income for the year the contribution is distributed from the Traditional, SEP or SIMPLE IRA exceeds $100,000 or (ii) you are married, lived with your spouse at some time during the taxable year, and a file a separate tax return. Any required minimum distribution you receive from an IRA or an eligible retirement plan is disregarded for purposes of determining whether you are eligible to make a conversion to a Roth IRA.

However, a SIMPLE IRA cannot be converted to a Roth IRA until you have two years of participation in your employer's SIMPLE plan.

You may make the conversion by instructing the custodian or trustee to change the designation of your traditional, SEP, or SIMPLE IRA to a Roth IRA, if the other IRA is offered by the same custodian or trustee. Otherwise, you may convert by making a rollover or transfer from a traditional, SEP or SIMPLE IRA to a Roth IRA. The amount of the conversion, minus any return of basis, is taxable as ordinary income in the year the conversion occurs. (If you make

the conversion by rollover, the tax is imposed for the year the rollover distribution occurs.) The 10% penalty tax on early withdrawals does not apply to such conversions.

2. Direct Plan to Roth IRA Conversion

Any or all of an eligible rollover distribution (other than from a designated Roth contribution account) from an eligible retirement plan may be converted directly to a Roth IRA unless (i) your modified adjusted gross income for the year the contribution is distributed from the plan exceeds $100,000 or (ii) you are married, lived with your spouse at some time during the taxable year, and a file a separate tax return. Any required minimum distribution you receive from an IRA or an eligible retirement plan is disregarded for purposes of determining whether you are eligible to make a direct conversion to a Roth IRA.

The amount of the conversion, minus any return of your tax basis, is taxable as ordinary income in the year the conversion occurs. (If you make the conversion by rollover, the tax is imposed for the year the rollover distribution occurs.) The 10% penalty tax on early withdrawals does not apply to such conversions.

3. Special Conversion Rules

Any withdrawal of conversion amounts from your Roth IRA within the 5-year period beginning on the first day of the taxable year in which the contribution is made would be subject to the 10% penalty tax on early distributions for the entire amount of the conversion and earnings attributable to the withdrawal, if no exception applies.

4. Upcoming Change in Rules

Effective January 1, 2010, individuals are allowed to convert a traditional IRA to a Roth IRA or complete a direct plan to Roth IRA conversion, regardless of a participant's gross income or filing status. The law eliminates the requirement that married taxpayers must file joint returns and removes the $100,000 modified adjusted gross income limit on the conversion from a traditional IRA to a Roth IRA. Participants who perform a conversion in 2010 are given an option to include the taxable amount in their gross income and spread it out over a two-year period, with the first year beginning in 2011.

5. Reconversion

You cannot convert and reconvert an amount between IRA types during the same tax year or, if later, during the 30-day period following a recharacterization. If you reconvert during either of these periods it will be a failed conversion. A failed conversion is includible in income and is subject to penalties.

G. Recharacterizations

A recharacterization will permit you to treat a contribution made to one type of IRA as having been made to a different type of IRA (such as Roth IRA to traditional IRA or vice versa). Recharacterizations are subject to the following rules:

1. Trustee-to-Trustee Transfer

To recharacterize a contribution or a conversion contribution, you must have the contribution transferred from the first IRA (the one to which the contribution was originally made), to the second IRA in a trustee-to-trustee transfer.

2. Timing

If the transfer is made by the due date (including extensions) for your tax return for the year during which the contribution was made, you may elect to treat the contribution as having been originally made to the second IRA instead of the first IRA. If you have already filed your income tax return for the year, you must file an amended tax return for the year of the contribution by the filing deadline for amended returns.

3. Previous Tax-Free Transfers

An amount that was previously moved in a tax-free transfer, such as a rollover, generally cannot be recharacterized.

4. Recharacterizing Employer Contributions

You may not recharacterize employer contributions (including elective deferrals) under a SEP or SIMPLE IRA as contributions to a Roth IRA.

5. How to Recharacterize

You must notify both the trustee of the first IRA and the trustee of the second IRA that you have elected to treat the contribution as if you made it to the second IRA. You must make the notification, in a form acceptable to us, by the date of the transfer.

6. Reporting a Recharacterization

You may be required to report the recharacterization on IRS Form 8606.

H. Designation of Beneficiary

You may designate any person or entity to be your beneficiary to receive your IRA upon your death, subject to the following rules:

1. **Designation of Beneficiary**

   You may designate a beneficiary on the IRA application.

2. **Modification of Beneficiary Designation**

   You may modify the beneficiary designation by completing a beneficiary form. Changes to the beneficiary designation must be received by us (or our designated agent) during your lifetime.

3. **No Beneficiary Designation**

   If you have not designated a beneficiary prior to your death or your designation is not effective for any reason, the beneficiary will be your surviving spouse, or if none, the beneficiary will be your estate.

4. **Beneficiary May Designate Own Beneficiary**

   Upon your death, your designated beneficiary may designate his or her own beneficiary to receive any remaining assets in the IRA.

5. **Effect of Divorce**

   If your designated beneficiary is your spouse and you divorce, your ex-spouse will remain as your designated beneficiary until you revise your beneficiary designation. Changes to the beneficiary designation must be received by us during your lifetime.

I. Inherited IRA

Your beneficiary will inherit your IRA at your death.

1. **Tax Effect**

   Your beneficiary must include any taxable distribution in gross income. Certain distributions are required, as described in Section J below.

2. **IRA Inherited From Spouse**

   If you inherit a Roth IRA from your spouse you may:

   a. Treat the IRA as your own by designating yourself as the Account Holder (you will not be treated as a beneficiary for purposes of the IRA rules);
   b. Treat it as your own by rolling it over into your Roth IRA; or
   c. Treat yourself as the beneficiary rather than treating the IRA as your own.

3. **IRA Inherited From Non-Spouse**

   If you inherit an IRA from someone other than your spouse, you may not treat the IRA as your own. You cannot rollover any amounts in or out of the IRA, or make contributions to the IRA. However, you can make a trustee-to trustee transfer as long as the IRA into which the amounts are being moved is set up and maintained in the name of the deceased IRA Account Holder for the benefit of you as the beneficiary.

4. **Separate Accounts**

   If you name multiple beneficiaries, they may each establish separate accounts for their portion of the IRA.

5. **Non-Spouse Beneficiary under an Employer's Plan**

   You may also establish an inherited Roth IRA to receive a direct trustee-to-trustee transfer of amounts inherited under an employer's retirement plan. This type of inherited IRA is subject to special required minimum distribution rules, as described in Section J.

6. **Minor or Disabled Beneficiaries**

   If the beneficiary designated to receive payments is a minor child or declared incapacitated or incompetent by the court, we may follow the direction of a court appointed guardian or legally appointed representative, including payment and investment direction. We will not be liable for any loss which may result from any investment, liquidation, or distribution made by us in good faith under this paragraph.

7. **Investment Control**

   See Section O. Following your death, your beneficiary will have investment responsibility.

J. Required Minimum Distributions (RMD) for Beneficiaries

The beneficiary of your Roth IRA is required to take certain distributions, to avoid additional tax penalties.

1. Required Minimum Distributions

If you die before your required beginning date, the April 1 of the year following the year you reach age 70½, your beneficiary must direct that payment of his/her benefits be made or started no later than December 31 of the year following the year of your death with annual distributions of at least the required minimum distribution described below (the "life expectancy rule"). If, however, there is no designated beneficiary (as defined below) or your designated beneficiary is not an individual, the entire balance of the IRA must be paid by December 31 of the year in which occurs the fifth anniversary of your death (the "5-year rule").

Special Rule 2009. Your beneficiary is not required under federal law to take a required minimum distribution for 2009, due to relief enacted by Congress in late 2008. In addition, if in 2009 a beneficiary is satisfying the required minimum distribution rules by taking full distribution of his or her interest by the end of the calendar year containing the fifth anniversary of the Participant's death, the beneficiary may now take the full distribution over a six year period.

Special rules apply if your surviving spouse is your sole designated beneficiary. In this case, your surviving spouse may wait until the December 31 of the year you would have reached age 70½ to start receiving Roth IRA RMD payments. If your surviving spouse is your sole beneficiary and dies after you but before his or her payments are required to begin, subsequent payments to the surviving spouse's beneficiaries will be made as if the surviving spouse had been you.

Under the life expectancy rule, the yearly required minimum distribution for each designated beneficiary is calculated by dividing the IRA account balance as of the close of business on December 31 of the previous year by the applicable distribution period. The applicable distribution period depends on the beneficiary's identity.

If your surviving spouse is the sole designated beneficiary of your IRA, the distribution period is the life expectancy listed in "Table 1 (Single Life Expectancy)" for the spouse's age as of the spouse's birthday in the year for which the distribution is being made. Table I can be located in IRS Publication 590. (Special rules apply to the minimum distributions after the death of your surviving spouse.)

If the designated beneficiary is an individual other than your spouse, the distribution period for the year following the year of your death is the life expectancy listed in "Table I (Single Life Expectancy)" for the beneficiary's age as of his or her birthday in that year, reduced by one for each subsequent year.

2. Special Rules for Inherited IRAs Established by a Non-Spouse Beneficiary with Inherited Funds Transferred from an Eligible Retirement Plan

The yearly required minimum distribution from this type of inherited IRA depends on the eligible retirement plan's rules for determining required minimum distributions and, in some cases, when the non-spouse beneficiary made the direct rollover to the inherited Roth IRA.

If the eligible retirement plan uses the life expectancy rule to determine required minimum distributions for beneficiaries, then the yearly required minimum distribution for the non-spouse beneficiary is calculated by dividing the IRA account balance as of the close of business on December 31 of the previous year by the applicable distribution period. The applicable distribution period is the beneficiary's life expectancy listed in "Table 1 (Single Life Expectancy)" for the beneficiary's age as of his or her birthday in the calendar year immediately following the calendar year of death of the plan participant, reduced by one for each subsequent year.

If the eligible retirement plan uses the 5-year rule to determine required minimum distributions for beneficiaries, then if the non-spouse beneficiary made the rollover to the inherited IRA before the end of the calendar year immediately following the calendar year in which the death of the plan participant occurred, the beneficiary can elect to have required minimum distributions from the inherited IRA determined under the life expectancy rule or the 5-year rule. However, if the non-spouse beneficiary made the rollover to the inherited Roth IRA in the second through fourth calendar years following the calendar year in which the death of the plan participant occurred, the beneficiary must use the 5-year rule under the inherited Roth IRA.

3. Designated Beneficiary

Under the RMD rules, your "designated beneficiary" is determined based on the remaining beneficiaries of your IRA as of the September 30th of the year following the year of your death. Any beneficiary who was a beneficiary on your date of death, but is not a beneficiary as of the September 30th of the year following your death (for example due to receiving payout of the complete benefit due to such beneficiary), is not taken into account for RMD purposes.

4. Penalty For Failure to Take RMD

If in any taxable year after your death, your designated beneficiary fails to withdraw the required minimum distribution from the IRA, a 50% nondeductible penalty may be imposed by the IRS on the difference between the amount that should have been distributed and the amount actually distributed. We will not be liable for any penalties or taxes incurred due to your beneficiary's failure to take an RMD.

K. Federal Estate and Gift Tax.

You should consult with your tax or legal advisor regarding federal estate and gift tax matters.

1. Federal Estate Tax

Your IRA is fully includible in your gross estate and subject to federal estate taxes, just as any other asset. However, for a death in 2008, there is no federal estate tax if your total estate and prior taxable gifts do not exceed $2,000,000 (for a death in 2009, $3,500,000).

2. Gift Tax

The gift tax exclusion for distributions is applicable to an IRA. In addition, the designation of a beneficiary of an IRA is not considered a gift tax transfer of property for federal gift tax purposes.

L. Prohibited Transactions

A prohibited transaction is any improper use of your IRA and includes direct or indirect transactions between you, your beneficiaries or your family members and your IRA.

1. Examples

Prohibited transactions include borrowing money from your IRA; selling property to your IRA; buying property from your IRA; receiving unreasonable compensation for managing your IRA; and using your IRA as security for a loan.

2. Effect on IRA

If a prohibited transaction occurs in a year, the IRA will lose its tax-deferred status and you will be required to include the value of the account on the first day of the year in your income for the year the tax-deferred status was lost (other than any non-deductible contributions). If you pledge your IRA as security for a loan, the portion of your IRA that was pledged must be included in your income for the year it was pledged (other than non-deductible contributions). You may also be subject to other taxes including an additional 10% penalty tax on the taxable amount if you are under age 59 ½, unless an exception applies.

M. Additional Taxes

1. Early Distributions

Early distributions are amounts distributed from your Roth IRA before you attain age 59½. Taxable earnings paid to you prior to attaining age 59½ will be subject to an additional 10% tax, unless an exception applies.

Generally, you will not pay the additional tax for a distribution made:

a. to pay unreimbursed expenses exceeding 7.5% of your adjusted gross income for your medical care (or that of your spouse or dependents).
b. to pay medical insurance premiums after losing your job in certain situations.
c. after your disability. You are considered disabled for purposes of the exception if you cannot do any substantial gainful activity because of your physical or mental condition, which is expected to be of long-continued or indefinite duration or lead to death.
d. after your death.
e. as part of a series of substantially equal periodic payments for your lifetime or the lifetimes of you and your beneficiary.
f. to pay certain qualified first-time homebuyer amounts (limited to $10,000 in your lifetime).
g. to pay for certain qualified higher education expenses for you, your spouse, and your or your spouse's children and grandchildren.
h. to the IRS due to a tax levy.
i. under special disaster relief, such as qualified hurricane distributions.
j. as qualified reservist distributions under Code section 72(t)(2).

You should consult with your tax advisor to see if your distribution qualifies for one of these exemptions to the early distribution penalty tax, as many special rules apply.

2. Tax on Excess Contributions

An excess contribution is one that exceeds the annual amount you are allowed to contribute to all of your traditional and Roth IRAs. If the excess contributions for a year are not withdrawn by the date your return for the year is due, you are subject to a 6% tax. You must pay the 6% tax each year on excess amounts that remain in your IRA at the end of the year.

You may correct the excess contribution and avoid the 6% tax by withdrawing the amount of the excess and any earnings before the tax-filing deadline (including extensions) for the tax year the contribution was made. You also must include the withdrawn earnings in your gross income for the year in which you contributed. You are responsible for computing the earnings and providing the figure to us on your completed distribution form. You may also owe the IRS a 10% premature distribution penalty tax on the earnings, even if you removed them before the tax-filing deadline.

If you fail to meet the timely correction deadline, you must pay a penalty tax of 6% of the excess contribution for the year of the contribution. You will also have to pay the 6% penalty tax for each later year, if an excess is still in the IRA at the end of that year. The excess may be eliminated by either: (i) making reduced IRA contributions in future years (but not past years), or (ii) withdrawing the excess contribution from the IRA.

You should consult with your tax advisor about the tax consequences of late correction. If the excess in your IRA is the result of an attempted rollover and the excess occurred because the retirement plan provided you with incorrect information regarding your rollover amounts, you may withdraw the excess amount. You may have to amend your income tax return for the year in which the excess contribution occurred. Any excess withdrawn as a result of incorrect rollover information should not be included in your gross income for the year of the withdrawal.

3. Reporting

You must file a Form 5329 with Form 1040 if you owe the additional tax on early distributions or the tax on excess contributions.

N. Financial Disclosure

1. Available Assets

The amount of money that will be available at any period of time depends on:

a. The amount of contributions;
b. Total years of participation;
c. Earnings, including interest, dividends, realized and unrealized gains, and losses; and
d. Expenses incurred for brokerage commissions and applicable trustee's fees.

Due to the many kinds of investments that you may choose, neither a guaranteed return nor a projected amount can be furnished.

2. Fees

We charge annual and other fees for your IRA. Please refer to the current fee schedule. If you fail to pay our compensation, taxes, and/or expenses within a reasonable time after demand for payment is made, we reserve the right to charge the expenses to the Trust and liquidate such assets of the Trust as needed to satisfy the demand. The custodian will collect all fees, expenses, and taxes as directed by us. Such collection of fees by the custodian may be made without your approval or direction. We reserve the right to revise the fee schedules and will provide sufficient advance written or electronic notice of any revision to you. Brokerage commissions are considered a separate cost and are in addition to the above fees charged by the Trustee. Questions about brokerage commissions should be discussed with your broker or account executive before any orders are executed.

3. Annual Earnings

To compute annual earnings: Compare the year-end market value to the prior year's market value; add any interest or dividends earned for your total account.

O. Investments

1. Investment Responsibility

It is your responsibility to select and direct the investments of the Trust, either in person or through a broker, account executive or investment advisor, according to the procedures currently in effect. The investments you choose must conform to the Trust Agreement. Investments that do not generate confirmations must be accompanied by additional written instructions. It is your responsibility to make sure that the investments you select do not cause the IRA to participate in a prohibited transaction, such as by extending credit to the IRA or engaging in a "call" transaction.

2. Impermissible Investments

No part of your IRA may be invested in the following:

a. Collectibles within the meaning of section 408(m) except for certain coins and bullion defined in section 408(m)(3). Any impermissible investments in collectibles will be treated as a distribution.
b. Life insurance contracts or commingled with other property, except in a common trust or common investment fund, described in section 408(a)(5).

Other types of investments may also be prohibited or limited, as provided in the Trust Agreement.

3. **Investment Information**

   Although the brokerage firm may provide investment information to you, any information provided to you given by the Brokerage Firm should not serve as a primary basis for your investment decisions. Any questions concerning the authority of your broker should be directed to the brokerage firm. The broker is not an employee of Principal Trust Company, and Principal Trust Company does not supervise or control the activity of the broker. It is our understanding that you will exercise independent judgment when you make your investment decisions.

4. **Investment Performance**

   No projection of the growth in value of your IRA can reasonably be made or guaranteed. The value of your IRA and the growth in value of the IRA is dependent solely on the performance of the investments chosen by you.

P. Duties Not Assigned

We will not be responsible for voting proxies, receiving or mailing proxy materials, filing reports, returns or disclosures with any government agency unless we are required to do so under applicable law. Proxies and proxy material that are received by us will be destroyed.

Q. Additional Information

1. **State Laws**

   The tax laws of certain states and local governments may be different from the federal tax laws for IRAs. State and local laws are not covered in this disclosure statement.

2. **Definition of Spouse**

   As required by federal tax law, when the term "spouse" is used in this disclosure statement, it is limited to the person of the opposite sex to whom you are legally married.

3. **Legal Incapacity**

   If you (or after your death, your beneficiary) is legally incapacitated, then we may require that any and all rights that the incapacitated individual could exercise under the Trust Agreement or at law be exercised by the incapacitated individual's representative. We may rely on the authority and direction of such representative for all action taken with respect to the IRA.

4. **IRS Information**

   The IRS has a number of helpful Publications on IRAs, including IRS Publication 590, IRS Publication 575 and IRS Publication 939. These publications are available at any IRS district office, on line at www.irs.gov or by calling 1-800-TAX-FORM.

5. **Legal and Tax Advice**

   You are responsible for determining the legal and tax implications of (i) the type of IRA you have selected, (ii) your eligibility to contribute to, or receive contributions under, such IRA, (iii) the amount of contributions made to the IRA and whether such contributions are deductible, (iv) the tax treatment of any withdrawals from your IRA, and (v) any other tax treatment. We have not, and may not, provide you with legal or tax advice.

6. **Written Notices**

   Any required notice regarding the trust will be considered effective when we (or our designated agent) mail it to the last address of the intended recipient which is contained in our records. We may provide notice to you in another format, including but not limited to electronic mail. Any electronic notice will be deemed effective when transmitted to the last e-mail or other electronic address in our records. You acknowledge that any notice provided electronically to you (or your beneficiary) will be deemed to have been provided in writing for purposes of this IRA and applicable federal and state laws. Any notice to be given to us must be provided in writing and will be considered effective when we actually receive it. You and/or your beneficiaries must notify us (or our designated agent) of any change of address in a manner acceptable to us.

7. **Future Amendments**

   We may make any amendments to the Trust Agreement we deem advisable, including but not limited to, changes that are required to keep your IRA in compliance with applicable laws. You will be notified of any such amendments.

Self-Directed Individual Retirement Trust Agreement

Article I
Introduction

The purpose of this Trust is to establish a Traditional IRA under Internal Revenue Code ("Code") Section 408(a) or a Roth IRA under Code Section 408A to provide benefits for an individual or their beneficiaries upon their retirement, disability, or death. At no time shall the account be operated as both a Roth IRA and a Traditional IRA.

Article II
Definitions

As used in both the Traditional IRA and Roth IRA Self-Directed Individual Retirement Trust Agreement, the following terms shall have the meanings set forth below, unless a different meaning is plainly required by the context:

2.1 **Act** means the Employee Retirement Income Security Act of 1974, as amended.

2.2 **Account Holder** means the individual whose name appears on the Trustee accepted application and for whom contributions have been received by this Trust.

2.3 **Application** means the Application through which the Account Holder adopts this Trust, as may be amended from time to time, and thereby agrees to be bound by all terms and conditions of this Agreement.

2.4 **Beneficiary** means the person(s) or entity (entities) properly designated by the Account Holder in the Application or in a form acceptable to the Trustee.

2.5 **Brokerage Firm** means the investment agent selected in the application or through other means acceptable to the Trustee.

2.6 **Code** means the Internal Revenue Code of 1986, as amended.

2.7 **Compensation** means wages, salaries, professional fees, or other amounts derived from or received for personal services actually rendered. This includes but is not limited to commissions paid salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, and bonuses. It also includes earned income, as defined in Code Section 401(c)(2) (reduced by the deduction the self-employed individual takes for contributions made to a self-employed retirement plan). For purposes of this definition, Code Section 401(c)(2) shall be applied as if the term trade or business, for purposes of Code Section 1402 included service described in subsection (c)(6). Compensation does not include amounts derived from or received as earnings or profits from property (including but not limited to interest and dividends) or amounts not includible in gross income. Compensation also does not include any amount received as a pension or annuity or as deferred compensation. Compensation does include any amount includible in the Account Holder's gross income under Code Section 71 with respect to a divorce or separation instrument described in subparagraph (A) of Section 71(b)(2).

With respect to Roth IRAs**,** in the case of a married individual filing a joint return, the greater compensation of his or her spouse is treated as his or her own compensation, but only to the extent that such spouse's compensation is not being used for purposes of the spouse making a contribution to a Roth IRA or a deductible contribution to a non-Roth IRA.

2.8 **Conversion Contribution** means a rollover contribution described in Section 408(d) of the Code from a Traditional IRA, SEP, or SIMPLE IRA to a Roth IRA.

2.9 **Designated Beneficiary** means the beneficiary whose life expectancy is used to determine the amount of the required distribution, in accordance with Code Section 408(a)(6) and Treasury Regulation Section 1.408-8.

2.10 **Disability** means the Account Holder's inability to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of a long-continued and indefinite duration and as further described in Code Section 72(m)(7).

2.11 **Individual Retirement Account** means an account established under section 408(a) of the Code.

2.12 **Internal Revenue Service (IRS)** means the agency responsible for administering and enforcing internal revenue laws, determination of pension plan qualification and exempt organization status, preparation and issuance of ruling and regulations to interpret the provisions of the Internal Revenue Code, and other responsibilities.

2.13 **Modified Adjusted Gross Income (MAGI)** means income as defined in Code Section 408A(c)(3)(C)(i) and does not include any amount included in adjusted gross income as a result of a rollover from a non-Roth IRA (a conversion).

2.14 **Recharacterization** means treating a contribution made to one IRA as having been made to a different type of IRA.

2.15 **Reconversion** means recharacterizing a conversion contribution as a contribution to a Traditional IRA, then converting the Traditional IRA to a Roth IRA again. Conversions can be reconverted one time during the calendar year during which they were made.

2.16 **Regulations** mean Federal Income Tax regulations, as amended from time to time.

2.17 **Required Beginning Date** means the date at which payments must be made from the account.

2.18 **Roth IRA** means an individual retirement account as defined in Section 408A of the Code.

2.19 **Spousal IRA** means an IRA funded by a married taxpayer for his or her spouse if the taxable compensation of the non-working spouse is less than that of the working spouse and the taxpayer files a joint return.

2.20 **SIMPLE** means a Savings Incentive Match Plan for Employees as defined in Section 408(p) of the Code.

2.21 **SEP** means a Simplified Employee Pension as defined in Sections 408(j) and 408(k) of the Code.

2.22 **Traditional IRA** means an IRA as defined in Section 408(a) of the Code.

2.23 **Trust Year** is the calendar year from January first (1st) to December thirty-first (31st).

2.24 **Trustee** means the Delaware Charter Guarantee & Trust Company d/b/a Principal Trust Company (Principal Trust Company) and any successor Trustee under the trust.

2.25 **Trust** means this Trust established hereunder as it may be amended from time to time, including the Application, which is part of the Trust.

2.26 **Trust Agreement** means this document which establishes and sets forth the material terms of the Self-Directed Individual Retirement Trust Agreement.

Article III
Roth IRAs

The references to IRAs in this Article refer only to Roth IRAs unless noted otherwise.

3.1 Eligibility

A. An eligible individual is any person who received compensation for services (including earned income of a self-employed individual) during the taxable year **and** has a modified adjusted gross income (MAGI) which is less than the amount allowed for their filing status for purposes of contributing to a Roth IRA.

B. As a condition of participation, the Account Holder is required to consent to the terms and conditions of this Trust, as may be amended from time to time. Agreement need not be in writing.

3.2 Contributions

A. Each taxable year, the Account Holder may contribute on a periodic basis to this Trust an amount not to exceed the lesser of three thousand dollars ($3,000) or one-hundred percent (100%) of compensation, or the applicable statutory limit. A qualified rollover contribution or recharacterization (as described in Section 3.3 and 3.4 does not apply toward the contribution limit).

If the Account Holder is under age 50, the applicable amount is $3,000 for any taxable year beginning in 2002 through 2004, $4,000 for any taxable year beginning in 2005 through 2007 and $5,000 for any taxable year beginning in 2008 and years thereafter.

If the Account Holder is 50 or older, the applicable amount is $3,500 for any taxable year beginning in 2002 through 2004, $4,500 for any taxable year beginning in 2005 through 2007 and $6,000 for any taxable year beginning 2008 and years thereafter.

After 2008, the limits in the paragraphs above will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code Section 219(b)(5)(C). Such adjustments will be in multiples of $500.

B. The contribution limit is reduced in 2009 if the Account Holder's filing status is:

C. Married filing a joint return *and* the MAGI is between $166,000 and $176,000.

D. Married filing separately and the Account Holder and spouse lived together during the year *and* the MAGI is between $0 and $10,000.

E. Single, head of household or married filing separately and the Account Holder did not live with their spouse at any time during the year *and* the MAGI is between $105,000 and $120,000.

F. If the Account Holder's contribution limit is reduced because of MAGI the maximum regulation contribution is rounded up to the next $10. If the contribution limit is greater than $0, but less than $200, the amount is rounded up to $200.

G. Contributions to this Roth IRA are also reduced by the amount of contributions made to a Traditional IRA.

H. For purposes of Sections 3.1(A) above, MAGI has the same meaning as defined in Code Section 408A(c)(3)(C)(i). MAGI does not include amounts includible in Adjusted Gross Income because of a conversion from a Traditional IRA.

I. A regular contribution to a Traditional IRA or a SIMPLE plan may be recharacterized as a regular contribution to this Roth IRA subject to the terms and limitations in Treasury Regulation Section 1.408A-5 and Section 3.4 below.

J. No amounts made under a SIMPLE plan established by an employer under Code Section 408(p) or a SEP established by an employer under Code Section 408(j) or (k) will be accepted into this Trust.

K. No amounts attributable to an employer contribution to a SIMPLE plan can be converted to a Roth IRA during the 2-year period beginning on the date the Account Holder first participated in the SIMPLE.

L. Contributions may be made after age 70½.

3.3 Rollovers

A. This Trust will accept rollovers from other Roth IRAs provided they are deposited within 60 days of the date distributed from the previous Roth IRA as permitted under applicable laws. A qualified rollover is one that meets the requirements of Section 408(d)(3) of the Code, except the one rollover per twelve consecutive months rule does not apply if the rollover is from an IRA other than a Roth IRA.

B. Rollover Contributions from a non-Roth IRA cannot be made if:

- You and your spouse's MAGI is more than $100,000,
- You are married and filing a separate return, or
- You are not married and your MAGI is in excess of $100,000

The $100,000 limit shall apply in the year that the assets are distributed from the Traditional IRA and not the date they are deposited into the Roth IRA. For the purposes of this Section 3.3 (B), a husband and wife are not treated as married for a taxable year if they have lived apart at all times during that taxable year and file separate returns for that taxable year.

C. Conversion amounts must be qualified rollover contributions under Code Section 408A(e), and therefore, must satisfy Code Section 408(d)(3).

D. Any amount converted from a non-Roth IRA to a Roth IRA will be treated as a distribution from the non-Roth IRA and a rollover to the Roth IRA regardless of the actual means by which the assets are converted.

E. Amounts held in a SEP or SIMPLE plan may be converted. In the case of a SIMPLE plan, the conversion may be done only after the expiration of the two-year period as described in Code Section 72(t)(6). No SEP or SIMPLE contributions can be made to a Roth IRA. Amounts held in retirement plans other than IRAs cannot be converted directly to a Roth IRA.

3.4 Recharacterizations

A. On or before the due date for filing taxes, plus extensions, an Account Holder may recharacterize IRA contributions, including Roth IRA Conversion Contributions by means of a Trustee transfer. Recharacterized amounts will be treated as if they were made to the transferee plan and not the transferor plan if such recharacterizations are made in compliance with Code Section 408A(d)(6), Treasury Regulation Section 1.408A-5, and other applicable laws or regulations.

B. **Beginning January 1, 2000,** amounts that are transferred from a Traditional IRA to a Roth IRA by means of a recharacterization may not be converted before the later of the beginning of the taxable year following the taxable year in which the amount was converted to a Roth IRA or the end of the 30-day period beginning on the day on which the Account Holder recharacterizes the amount from the Roth IRA back to the Traditional IRA.

A Reconversion made before the later of the beginning of the next taxable year or the end of the 30-day period is treated as a failed Reconversion. For this purpose only, a failed Conversion Contribution that is the result of a failure to satisfy the statutory requirements for a Conversion contribution is treated as a Conversion contribution in determining when the Account Holder can make a Reconversion.

3.5 Distributions

A. The Account Holder is not required to take distributions from his or her Roth IRA during their lifetime. The Beneficiary must take distributions as outlined in Paragraphs F through K of this Section 3.5.

B. Distributions that are not included in income are:

- Qualified distributions,
- Due to return of excess,
- Rolled over to another Roth IRA.

A qualified distribution is a distribution of assets that have been in the account for five years **and:**

- Made on or after the date you reach age 59½,
- Made because you are disabled,
- Made to a beneficiary or your estate after your death, or
- Meets the requirements for the purchase of a first home.

C. Withdrawals of excess contributions and the earnings on them before the due date of your tax return (including extensions) are not qualified distributions. The earnings are taxable in the year for which the contribution was made and may be subject to a 10 percent early distribution penalty.

D. Distributions that are not qualified distributions may be partially taxable. The tax treatment of these withdrawals and the earnings thereon must be withdrawn according to the order and aggregation rules as outlined in Code Section 408A(d)(F)(4).

E. The taxable portion of other withdrawals that are not qualified distributions are subject to the additional tax on premature distributions, unless one of the exceptions applies.

F. Upon the death of the Account Holder, his or her entire interest will be distributed at least as rapidly as follows:

1. If the designated Beneficiary is someone other than the Account Holder's surviving spouse, the entire interest will be distributed, starting by December 31 of the calendar year following the calendar year of the Account Holder's death, over the remaining life expectancy of the designated Beneficiary, with such life expectancy determined using the age of the Beneficiary as of his or her birthday in the year following the year of the Account Holder's death, or, if elected, in accordance with paragraph F.3 below.
2. If the Account Holder's sole designated Beneficiary is the Account Holder's surviving spouse, the entire interest will be distributed, starting by December 31 of the calendar year following the calendar year of the Account Holder's death (or by December 31 of the calendar year in which the Account Holder would have attained age 70½, if later), over such spouse's life, or, if elected, in accordance with paragraph F.3 below. If the surviving spouse dies before distributions are required to begin, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's designated Beneficiary's remaining life expectancy determined using such Beneficiary's age as of his or her birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with paragraph F.3 below. If the surviving spouse dies after distributions are required to begin, any remaining interest will be distributed over the spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death.

3. If there is no designated Beneficiary, or if applicable by operation of paragraph F.1 or F.2 above, the entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Account Holder's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under paragraph F.2 above).

4. The amount to be distributed each year under paragraph F.1 or F.2 is the quotient obtained by dividing the value of the Roth IRA as of the end of the preceding year by the remaining life expectancy specified in such paragraph. Life expectancy is determined using the Single Life Table in Q&A-1 of Section 1.401(a)(9)-9 of the Treasury Regulations. If distributions are being made to a surviving spouse as the sole designated Beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the Beneficiary's age in the year specified in paragraph F.1 or F.2 and reduced by 1 for each subsequent year.

5. The value of the Roth IRA includes the amount of any outstanding rollover, transfer, and recharacterization under Q&As-7 and –8 of Section 1.408-8 of the Treasury Regulations.

G. If the Beneficiary has not made an election by December 31 of the year following the year of the Account Holder's death, the Trustee reserves the right to distribute the assets in any one of the following ways:

- Pay the entire value of the account to the Beneficiary in a lump sum, or
- Pay the entire value of the account by December 31 of the fifth year following the year of the Account Holder's death, or
- Pay the amount over the life expectancy of the Beneficiary.

In the case of a payment made over the Beneficiary's life expectancy, the amount shall be figured using the Beneficiary's age on December 31 of the year distributions will begin and using the fair market value of the account on December 31 of the year prior to the year distributions will begin. Life expectancy shall be determined using the Single Life Table in Q&A-1 of Section 1.401(a) (9)-9 of the Treasury Regulations. If the Beneficiary is the Account Holder's spouse, the life expectancy will be recalculated and is irrevocable when payment has been made.

H. If a distribution to a Beneficiary is not a qualified distribution, it is generally included in the Beneficiary's income in the same manner as a distribution to the Account Holder when the Account Holder was alive (See Section 3.5(D) above).

I. Distributions from other Roth IRAs cannot be substituted for payments from this Roth IRA unless the other IRA was inherited from the same decedent.

J. If the Account Holder had converted funds to which four-year averaging applies and such Account Holder dies before all such amounts have been included in income, the Beneficiary will include all remaining amounts in gross income for the taxable year that includes the Account Holder's date of death.

K. If the sole Beneficiary of the account is the Account Holder's spouse, the account will be treated as if the surviving spouse elected to treat it as his or her own in the event that the surviving spouse fails to take a distribution by the required time or makes a contribution, rollover, or conversion to the account.

Article IV
Traditional IRAs

References to IRAs in this Article refer only to Traditional IRAs unless noted otherwise.

4.1 Eligibility

A. An eligible individual is any person who received Compensation for services (including earned income of a self-employed individual) during the taxable year and is under age 70½. An individual making a rollover contribution (as permitted by Code Sections 402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3), and 457(e)(16) or an employer contribution to a Simplified Employee Pension as defined in Code Section 408(k) is also an eligible individual.

B. As a condition of participation, the Account Holder will be required to consent to the terms and conditions of this Trust, as may be amended from time to time. Consent need not be in writing.

4.2 Contributions

A. Except in the case of a rollover contribution as described in Code Section(s) 402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3), and 457(e)(16) or an employer contribution to a SEP as described in Code Section 408(k), no contributions will be accepted unless they are in cash, and the total of such contributions does not exceed $3,000 for any taxable year beginning in 2002 through 2004; $4,000 for any taxable year beginning in 2005 through 2007; and $5,000 for any taxable year beginning in 2008 and years thereafter.

After 2008, the limit will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code Section 219(b)(5)(C). Such adjustments will be in multiples of $500.

In the case of an individual who is 50 or older, the annual cash contribution limit is increased by $500 for any taxable year beginning in 2002 through 2005 and $1,000 for any taxable year beginning in 2006 and years thereafter.

In the case of a SEP contribution for 2009, the amount cannot exceed the lesser of 25 percent of compensation, or $49,000 or such limits as prescribed by law. In general, you cannot consider the part of an employee's compensation that exceeds the statutory limit as adjusted when figuring the contribution limit for that employee. That means the contribution amount for an employee subject to the $245,000 compensation cap is $49,000.

No contributions will be accepted under a SIMPLE IRA Plan established by any employer pursuant to Code Section 408(p). Also, no transfer or rollover of funds attributable to contributions made by a particular employer under its SIMPLE IRA Plan will be accepted from a SIMPLE IRA, that is, an IRA used in conjunction with a SIMPLE IRA Plan, prior to the expiration of the 2-year period beginning on the date the employee first participated in that employer's SIMPLE IRA Plan.

B. No contributions can be made to this Trust in or after the taxable year during which the Account Holder reaches age 70½.

4.3 Rollovers

A. The Trustee may accept additional cash contributions on behalf of the Account Holder for a tax year of the Account Holder. The total cash contributions are limited as described in Section 4.2 above unless the contribution is a rollover as described in Code Sections 402(c) (but only after December 31, 1992) 402(e)(6), 403(a), 403(b)(8), 403(b)(10), 408(d)(3), and 457(e)(16) or an employer contribution to a SEP described in Code Section 408(k).

B. If this Trust or an employee's IRA forming part of the employer's retirement trust has been disqualified because the individual and/or the Beneficiary engaged in a prohibited transaction as defined in Section 406 of the Act, then such employee's account may not be rolled over to another IRA.

C. Only cash or property from a plan as described above may be rolled over from such plan to this Trust.

4.4 Distributions

A. Amounts distributed from a Traditional IRA and not rolled over into another trust as described in Code Section 408(d)(3), are subject to a 10 percent non-deductible penalty tax as described in Code Section 72(t)(2).

There are exceptions to the tax as described in Code Section 72(t)(2)(a). Those exceptions are distributions that are made:

- After attainment of age 59½,
- After the death of the Account Holder,
- Due to disability as defined in Code Section 72(m)(7),
- As part of a series of substantially equal and periodic payments that are not less frequently than annually and made over the life expectancy of the Account Holder or the Account Holder and their Beneficiary,
- Due to dividends paid by a corporation described in Code Section 404(k)
- On account of a levy under Code Section 6331
- Distributions made under Code Section 72(t)(2)(B) (certain medical expenses), Code Section 72(t)(2)(C) (qualified domestic relation orders), and 72(t)(2)(D) (distributions to unemployed individuals for health insurance premiums) may be exempt from the ten percent (10%) penalty.

B. Notwithstanding any provision of this Trust Agreement to the contrary, the distribution of an Account Holder's interest will be made in accordance with the minimum distribution requirements of Code Sections 408(a)(6) or 408(b)(3) and the regulations thereunder, including the incidental death benefit provision of Treasury Regulation Section 1.401(a)(9)-2 which is herein incorporated by reference. If distributions are made from an annuity contract purchased from an insurance company, distributions thereunder must satisfy the requirements of Q&A-4 of Section 1.409(a)(9)-6T of the Temporary Treasury Regulations, rather than sections C, E, and K below.

C. The Account Holder's entire interest in the Traditional IRA must be distributed or begin to be distributed by the Account Holder's Required Beginning Date (which is April 1 of the year following the calendar year in which the Account Holder reaches age 70½) and over the life of such Account Holder or the lives of such Account Holder and his or her designated Beneficiary. A distribution must be made on or before December 31 for each succeeding year.

D. The Account Holder may elect to receive a distribution of the balance of the Trust at any time, upon written notice to the Trustee. This is true even if distributions have begun in accordance with one of the above options.

E. The amount that must be distributed each year, beginning with the calendar year for which distributions are required and continuing through the year of death, is obtained by dividing the IRA account balance on December 31 of the previous year by the distribution period in the Uniform Lifetime Table in Q&A-2 of Section 1.401(a)(9)-9 of the Treasury Regulations, using the Account Holder's age as of his or her birthday in the year. However, if the Account Holder's sole designated Beneficiary is his or her surviving spouse and such spouse is more than 10 years younger than the Account Holder, then the distribution period is determined under the Joint and Last Survivor Table in Q&A-3 of Section 1401(a)(9)-9 using the ages as of the Account Holder's and spouse's birthdays in the year.

F. If in any taxable year after the Account Holder turns age 70½ and fails to withdraw the required minimum distribution from the IRA, a 50 percent non-deductible penalty may be imposed by the IRS on the difference between the amount that should have been distributed and the amount actually distributed.

G. If an Account Holder has multiple IRAs, then the Account Holder must determine the required minimum distribution amount for each IRA, however the minimum amounts can be totaled together and the total taken from any one or more of the IRAs in accordance with Q&A-9 of section 1.408-8 of the Treasury Regulations.

H. If the Account Holder fails to receive any of the distributions described above before the first day of April following the calendar year in which the age of 70½ is reached, then the Trustee reserves the right to pay out the balance of the account in a single sum payment.

I. Distributions in excess of the required minimum payment cannot be used as a credit when figuring a subsequent year's required minimum distribution.

J. Life expectancy is determined in accordance with section 4.4E above. If the Account Holder fails to make an election by the time distributions are required to begin, life expectancy will be recalculated annually. Such elections will be irrevocable by the Account Holder and will apply to all subsequent years. The life expectancy of a non-spouse Beneficiary may not be recalculated. Instead, life expectancy will be calculated using the attained age of such Beneficiary during the calendar year in which the Account Holder attains age 70½. Payments for subsequent years will be calculated based on such life expectancy reduced by one for each calendar year that has elapsed since the calendar year life expectancy was first calculated.

K. If the Account Holder dies before the entire interest in the IRA is distributed, the remaining interest will be distributed as follows:

a. Death on or after Required Beginning Date: If the Account Holder dies on or after the Required Beginning Date, the remaining portion of his or her interest will be distributed as least as rapidly as follows:

1. If the designated Beneficiary is someone other than the Account Holder's surviving spouse, the remaining interest will be distributed over the remaining life expectancy of the designated Beneficiary, with such life expectancy determined using the Beneficiary's age as of his or her birthday in the year following the year of the Account Holder's death, or over the period described in paragraph (a)(3) below if longer.

2. If the Account Holder's sole designated Beneficiary is the Account Holder's surviving spouse, the remaining interest will be distributed over such spouse's life or over the period described in paragraph (a)(3) below if longer. Any interest remaining after such spouse's death will be distributed over such spouse's remaining life expectancy using the spouse's age as of his or her birthday in the year of the spouse's death, or, if the distributions are being made over the period described in paragraph (a)(3) below, over such period.

3 If there is no designated Beneficiary, or if applicable by operation of paragraph (a)(1) or (a)(2) above, the remaining interest will be distributed over the Account Holder's remaining life expectancy determined in the year of the Account Holder's death.

4. The amount to be distributed each year under paragraphs (a)(1), (2), or (3), beginning with the calendar year following the calendar year of the Account Holder's death, is the quotient obtained by dividing the value of the IRA as of December 31 of the preceding year by the remaining life expectancy specified in such paragraph. Life expectancy is determined using the Single Life Table in Q&A-1 of Section 1.401(a)(9)-9 of the Treasury Regulations. If distributions are being made to a surviving spouse as the sole designated Beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the Beneficiary's or Account Holder's age in the year specified in paragraphs (a)(1), (2), or (3) and reduced by 1 for each subsequent year.

b. Death before Required Beginning Date: If the Account Holder dies before the Required Beginning Date, the entire remaining interest must be distributed at least as rapidly as follows:

1. If the designated Beneficiary is someone other than the Account Holder's surviving spouse, the entire interest will be distributed, starting by December 31 of the calendar year following the year of the Account Holder's death, over the remaining life expectancy of the designated Beneficiary, with such life expectancy determined using the age of the Beneficiary as of his or her birthday in the year following the year of the Account Holder's death, or, if elected, in accordance with paragraph (b)(3) below.

2. If the Account Holder's sole designated beneficiary is the Account Holder's surviving spouse, the entire interest will be distributed, starting by December 31 of the calendar year following the calendar year of the Account Holder's death (or by December 31 of the calendar year in which the Account Holder would have attained age 70½ if later), over such spouse's life, or, if elected, in accordance with paragraph (b)(3) below. If the surviving spouse dies before distributions are required to begin, the remaining interest will be distributed, starting by December 31 of the calendar year following the calendar year of the spouse's death, over the spouse's designated Beneficiary's remaining life expectancy determined using such Beneficiary's age as of his or her birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with paragraph (b)(3) below. If the surviving spouse dies after distributions are required to begin, any remaining interest will be distributed over the spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death.

3. If there is no designated Beneficiary, or if applicable by operation of paragraph (b)(1) or (b)(2) above, the entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Account Holder's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under paragraph (b)(2) above).

4. The amount to be distributed each year under paragraph (b)(1) or (2) is the quotient obtained by dividing the value of the IRA as of December 31 of the preceding year by the remaining life expectancy specified in such paragraph. Life expectancy is determined using the Single Life Table in Q&A-1 of Section 1.401(a)(9)-9 of the Treasury Regulations. If distributions are being made to a surviving spouse as the sole designated Beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the Beneficiary's age in the year specified in paragraph (b)(1) or (2) and reduced by 1 for each subsequent year.

c. The value of the IRA includes the amount of any outstanding rollover, transfer, and recharacterization under Q&As-7 and –8 of section 1.408-8 of the Treasury Regulations.

d. If the sole designated Beneficiary is the Account Holder's surviving spouse, the spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the IRA or fails to take required distributions as a Beneficiary.

L. If the Beneficiary has not made an election by December 31 of the year following the year of the Account Holder's death, the Trustee reserves the right to distribute the assets in any one of the following ways:

- Pay the entire value of the account to the Beneficiary in a lump sum, or
- Pay the entire value of the account by December 31 of the fifth year following the year of the Account Holder's death, or
- Pay the amount over the life expectancy of the Beneficiary.

In the case of a payment made over the Beneficiary's life expectancy, the amount shall be figured using the Beneficiary's age on December 31 of the year distributions will begin and using the fair market value of the account on December 31 of the year prior to the year distributions will begin. If the Beneficiary is the Account Holder's spouse, the life expectancy will be recalculated and is irrevocable when payment has been made.

M. Distributions under these Paragraphs B through M are considered to have begun if the distributions are made because the Account Holder has reached his or her Required Beginning Date. If the Account Holder received distributions before the Required Beginning Date and the Account Holder dies, distributions will not be considered to have begun.

Article V
Traditional and Roth IRAs

The following provisions apply to both Traditional IRAs and Roth IRAs

5.1 Contributions

A. Contributions must be made in cash. The Account Holder will specify the investment to be made for all such contributions. All contributions received, together with the income therefrom, and any other increment thereon will be held, and administered by the Trustee pursuant to the terms of this Trust without distinction between principal and income and without liability for the payment of interest thereon. The Trustee will not be responsible for the computation and collection of any contributions under the Trust and will be under no duty to determine whether the amount of any contributions is in accordance with the Trust.

B. Except in the case of a rollover contribution as described in Sections 3.3 (Roth IRA) and 4.3, (Traditional IRA), Conversion Contributions as described in Section 3.2 and Recharacterizations as described in Section 3.4, the Trustee will accept only cash and will not accept contributions on behalf of the Account Holder in excess of $3,000 or such limits as may be prescribed by law for any taxable year. In the case of a SEP as described in Code Section 408(k), the Trustee will not accept employer contributions on behalf of the Account Holder in excess of $49,000 or such limits as may be prescribed by law for that taxable year.

C. Contributions made to this Trust by the Account Holder will be made to, or for the account, not later than April 15 of the year following the year to which the contribution relates. Contributions by an employer to a SEP must be made no later than three and one half months after the close of the Trust year.

D. Contributions made to this Trust by or for the Account Holder will be fully vested and nonforfeitable at all times. Neither the Account Holder nor the Beneficiary may pledge, sell, or transfer any part of the account, except as provided by law and this Trust Agreement.

E. The Account Holder will direct the Trustee with respect to the investment of all contributions and the earnings thereon under the Trust. Such direction will be limited to securities obtainable through the brokerage firm designated in the Application (or any other stockbroker selected by the Account Holder and approved by the Trustee) for reinvestment in accordance with the instructions of the Account Holder. Notwithstanding the above, the Account Holder may direct contributions and earnings to be placed in a savings account or a Certificate of Deposit with an institution approved by the Trustee. The Trustee in its discretion reserves the right to return contributions received without the proper investment instructions to the payer or deposit such contributions to a money market account of the Trustee's choice. See Section 5.5 below for Investments and Administration.

F. If the Account Holder makes a contribution to this Trust which exceeds the lesser of one hundred percent (100%) of compensation or three thousand dollars ($3,000), or the lesser of twenty five percent (25%) of compensation or forty-nine thousand dollars ($49,000) if a SEP, or such limits as may be prescribed by law and it is deemed that any portion of such contribution which exceeds these limits is not deductible for federal income tax purposes, then the non-deductible portion may be withdrawn by the Account Holder. Such withdrawal must be made prior to the date on which the Account Holder is required to file his or her federal income tax return.

G. Any income earned on the non-deductible portion of such contributions must be withdrawn by the Account Holder at the same time as indicated in paragraph F, above.

5.2 Rollovers

A. Partial rollovers from this Trust to another IRA meeting the requirements of Code Section 408(a) or to an Annuity contract meeting the requirements of Code Section 408(b), or a Roth IRA meeting the requirements of Code Section 408A, are permitted to be made once a year.

B. The Account Holder may rollover or transfer the entire interest to another Individual Retirement Trust meeting the requirements of Code Section 408(a) or to an Annuity contract meeting the requirements of Code Section 408(b), or a Roth IRA meeting the requirements of Code Section 408A.

C. The above described rollover(s) must be completed within sixty (60) days after the day on which the Account Holder receives the payment or distribution of last asset in the account or in such time frames as prescribed by law.

5.3 Distributions

A. Subject to, and in accordance with other provisions in this Trust, the Trustee will from time to time on the written directions of the Account Holder make distributions out of the Trust to such individuals, in such manner, in such amounts, and for such purposes as may be specified in such written directions.

B. The Trustee will not be liable for the proper application of any part of the Trust if distributions are made in accordance with the written directions of the Account Holder as herein provided, nor will the Trustee be responsible for the adequacy of the Trust to meet and discharge any and all distributions and liabilities.

C. All requests for withdrawals will be in writing and in a form acceptable to the Trustee. A withholding election and the tax identification number of the recipient will be provided to the Trustee before the Trustee makes a payment. All payments are subject to applicable taxes and penalties. If no withholding election is provided to the Trustee, taxes will be withheld in accordance with applicable laws.

D. The Account Holder may transfer his or her interest in whole or in part, under a divorce decree, dissolution of marriage, or a written instrument incident to such divorce or dissolution. The Account Holder shall promptly notify the Trustee of such transfer by providing a certified copy of such decree or true copy of such written instrument to the Trustee.

5.4 Designation of Beneficiary

A. The Account Holder shall designate a Beneficiary on the IRA application. The Account Holder may change the Beneficiary designation by filing a written notice with the Trustee in such manner as the Trustee deems acceptable. Changes to the Beneficiary designation must be received by the Trustee during the Account Holder's lifetime and are considered valid when they have been received by the Trustee.

B. The Designated Beneficiary will be entitled to the Account Holder’s entire interest in the event of the Account Holder's death before the complete distribution of the entire interest.

C. Unless the Account Holder designates in writing how distributions are to be paid, the interest in the account will be paid equally to all primary Beneficiaries, or contingent Beneficiaries if all primary Beneficiaries have died before the Account Holder.

D. If the designation of a Beneficiary has not been made by the Account Holder at the time of the Account Holder’s death, the Beneficiary shall be the spouse of the Account Holder, or if there is no spouse living at the time of the Account Holder’s death, the Beneficiary will be the estate of the Account Holder.

E. If the Beneficiary designated to receive payments is a minor child or declared incapacitated or incompetent by the court, the Trustee may make such payment to a court appointed guardian or legally appointed representative. The receipt of such payment by such individual shall be a full and complete discharge to the Trustee for any sums so paid.

F. If the Trustee is unable to make a payment to a Beneficiary within six months after any such payment is due because the Trustee cannot ascertain the whereabouts or the identity of the Beneficiary by mailing to the last known address shown on the Trustee's records and such Beneficiary has not written claim for such payment before the expiration of said six-month period, then the Trustee may deposit the Beneficiary's funds in a savings account or money market mutual fund established in the name of the Beneficiary.

G. Upon the death of the Account Holder, the Beneficiary may designate his or her own Beneficiary to receive any remaining assets in the account in the event the Beneficiary dies before a total distribution of the interest in the account occurs. Payments to the Beneficiary's Beneficiary must continue at least as rapidly as they would have been to the original Beneficiary.

H. A designated Beneficiary may disclaim his or her interest in the account provided the disclaimer is in a form acceptable to the Trustee and complies with Code Section 2518(b).

I. A Beneficiary is responsible for paying any fees, expenses, or taxes of the Trust in the same manner and time frame as if they were the original Account Holder.

J. If the designated Beneficiary of the account is the spouse and a partial transfer of the account is effected under Section 5.3(D), it is the responsibility of the Account Holder to send the Trustee a written beneficiary change notice if the Account Holder does not want the spouse to remain as the designated Beneficiary.

K. In the event of a dispute between two or more beneficiaries, the Trustee retains the right to apply to a court of competent jurisdiction for judicial settlement or to arbitration pursuant to Section 5.8(G). All fees and expenses incurred by the Trustee in connection with such action will be deducted from the assets of the Trust after reasonable notice is given to the beneficiaries. Such fees and expenses do not have to be approved by the court or an arbitrator.

5.5 Investments and Administration

The Trustee shall have the power and authority in the administration of this Trust to do all acts, including by way of illustration, but not in limitation of the powers conferred by law, the following:

A. Pursuant to the Account Holder's written directions (or those of the Account Holder's agent, if applicable) and notwithstanding any provision to the contrary in this Agreement, to invest and reinvest all or any part of the Trust in (i) cash, cash equivalents, exchange traded debt or equity securities (including options thereon and collectively defined as securities), mutual fund shares, savings media, and any other investment for the Trust under applicable law, to the extent they are not prohibited by Code Section 408(m) and the regulations thereunder, and (ii) with respect to which the Trustee agrees to provide Trust services. The allowable investments shall include, without limitation, any options on any security that may be held by the Trust under this Agreement and applicable law which is obtainable through the Brokerage Firm designated in the Application, either "over the counter" or on a recognized exchange. Any and all such investments and reinvestments must be acceptable to the Trustee without any duty on the part of the Trustee to diversify the investments or to make inquiry with regard to the investments or the written directions. The Trustee may absolutely rely on such written directions for the Account Holder that the Trustee believes to be genuine and will be fully protected in doing so;

B. To hold part or all of the Trust account uninvested or, pursuant to directions of the Account Holder to place the same in a savings account approved by the Trustee or purchase a Certificate of Deposit with an institution approved by the Trustee. However, the Trustee may, but need not, establish a program under which cash deposits in excess of a minimum set by it will periodically be invested in a savings account or money market mutual fund without direction of the Account Holder or his or her agent and the terms of any such program may be determined and altered at the discretion of the Trustee;

C. To employ suitable agents and counsel and to pay their reasonable expenses and compensations;

D. Pursuant to the Account Holder's written directions or agent, to write covered listed call options against existing positions and to liquidate or close such option contracts and the purchase of put options on existing long positions (the same securities cannot be used to simultaneously cover more than one position), to exercise conversion privileges or rights, to subscribe for additional securities and to make payments therefore;

E. Pursuant to the Account Holder or agent's written directions, and subject to Section 5.5(C), to consent to or participate in dissolutions, reorganizations, consolidations, mergers, sales, leases, mortgages, transfers or other changes affecting securities held by the Trustee;

F. To leave any securities or cash for safekeeping or on deposit, with or without interest, with such banks, brokers and other custodians as the Trustee may select, and to hold any securities in bearer form or in the name of the banks, brokers and other custodians or in the name of the Trustee without qualification or description or in the name of any nominee;

G. To invest contributions for Account Holder through the facilities of the Brokerage Firm designated in the Application (or equivalent facilities maintained by any other stockbroker or investment agent selected by the Account Holder and administratively pre-approved by the Trustee);

H. The Brokerage Firm named in the Application is designated by the Account Holder with authority to provide the Trustee with instructions, via confirmations or otherwise, implementing his or her directions to the Brokerage Firm to purchase and sell securities for his or her account. Before the entry of any orders to purchase or sell securities in this account, the Account Holder shall approve beforehand all such orders and direct the Brokerage Firm to implement his or her instructions. The Account Holder authorizes the Trustee to honor trades within his or her account without obligation to verify prior authorizations of such trades. The Brokerage Firm shall receive advices of available cash in this account and shall forward confirmation of purchases and sales to the Trustee. Selling short, and executing purchases in an amount greater than available cash are prohibited transactions. Investments in life insurance and collectibles are not permitted. No assets will be commingled. All investments outside of the brokerage account shall be accompanied by additional written instructions. Except as provided in Section 5.5(A), investments in offshore entities, foreign securities, and insurance contracts are not permitted under this Trust;

I. Except with respect to Paragraph R below and notwithstanding anything to the contrary contained in this Trust, the Trustee shall not make any investment or dispose of any investment held in the Trust, except upon the direction of the Account Holder or his or her agent;

J. The Trustee shall be under no duty to question any such direction of the Account Holder, to review any securities or other property held in the Trust, or to make suggestions to the Individual with respect to the investment, retention, or disposition of any assets held in the Trust. The Account Holder hereby agrees to indemnify the Trustee and hold it harmless from and against any claim or liability which may be asserted against the Trustee by reason of its acting or not acting pursuant to any direction from the Account Holder or failing to act in the absence of any such direction;

K. In accordance with Section 404(c) under the Act and being that the Account Holder exercises control over his or her assets in this Trust which provides for his or her account such Account Holder or their Beneficiary shall not be deemed to be a fiduciary by reason of such exercise, and no person who is otherwise a fiduciary shall be liable under this Trust for any loss, or by reason of any breach, which results from such Account Holder's exercise of control;

L. The Account Holder may appoint in writing an Investment Manager or Managers to manage (including power to acquire and dispose of) any assets of this Trust. Any such Investment Manager shall be registered as an Investment Adviser under the Investment Advisers Act of 1940 ("1940 Act"). If investment of the Trust is to be directed by an Investment Manager, the Account Holder shall deliver to the Trustee a copy of the instruments appointing the Investment Manager and evidencing the Investment Manager's acceptance of such appointment, an acknowledgment by the Investment Manager that it is a fiduciary of the Trust, and a certificate evidencing the Investment Manager's current registration under the 1940 Act. The Trustee shall be fully protected in relying upon such instruments and certificate until otherwise notified in writing by the Account Holder;

The Trustee shall follow the directions of the Investment Manager regarding the investment and reinvestment of the Trust, or such portion thereof as shall be under management by the Investment Manager. The Trustee shall be under no duty or obligation to review any investment to be acquired, held or disposed of pursuant to such directions nor to make any recommendations with respect to the disposition or continued retention of any such investment or the exercise or non-exercise of the powers. Therefore, and in accordance with Section 405 (d) (1) under the Act, the Trustee shall have no liability or responsibility for acting or not acting pursuant to the direction of, or failing to act in the absence of any direction from, the Investment Manager, unless the Trustee knows that by such action or failure to act it would be itself committing or participating in a breach of fiduciary duty by the Investment Manager. The Account Holder hereby agrees to indemnify the Trustee and hold it harmless from and against any claim or liability which may be asserted against the Trustee by reason of its acting or not acting pursuant to any direction from the Investment Manager or failing to act in the absence of any such direction.

The Investment Manager at any time and from time to time may issue orders for the purchase or sale of securities directly to a broker; and in order to facilitate such transaction, the Trustee upon written request shall execute and deliver appropriate trading authorizations. Written notification of the issuance of each such order shall be given promptly to the Trustee by the Investment Manager, and the execution of each such order shall be confirmed by written advice via confirms or otherwise to the Trustee by the broker.

In the event that an Investment Manager should resign or be removed by the Account Holder, the Account Holder shall manage the investments pursuant to the terms of this Trust unless and until the Trustee shall be notified of the appointment of another Investment Manager with respect thereto as provided in this Paragraph L.

The Trustee shall be under no duty to question any such direction of the Account Holder or Investment Manager to review any securities or other property held in the Trust or to make suggestions to the Account Holder or Investment Manager with respect to the investment, retention, or disposition of any assets held in the Trust;

M. Notwithstanding anything herein contained to the contrary, the Trustee shall not lend any part of the corpus or income of the Trust to: pay any compensation for personal services rendered to the Trust; to make any part of its services available on a preferential basis to, or acquire for the Trust any property, other than cash, from or sell any property to any Account Holder, or to any member of an Account Holder's family, or to a corporation controlled by any Account Holder through the ownership, directly or indirectly, of 50 percent or more of the total combined voting power of all classes of stock entitled to vote or 50 percent or more of the total value of shares of all classes of stock of such corporation;

All contributions made by the Account Holder and all investments made with such contributions and the earnings thereon shall be credited to an account maintained for the Account Holder by the Trustee. Such account shall reflect the amounts contributed by the Account Holder;

N. Within ninety (90) days from the close of each Trust Year, the Trustee shall render an accounting, valuing the assets at fair market value, to the Account Holder. The accounting may consist of copies of regularly issued broker-dealer statements to the Trustee and copies of mutual fund, insurance company, and other investment summary account statements supplied to the Trustee. The Account Holder must file any exceptions or objections to the accounting with the Trustee in writing, within sixty (60) days of the mailing of such accounting. In the absence of such filing, the Account Holder shall be deemed to have approved such account; and in such case, or upon the written approval of the Account Holder of any such account, the Trustee shall be released, relieved and discharged with respect to all matters and things set forth in such account as though such account had been settled by the decree of a court of competent jurisdiction. No person other than the Account Holder may require an accounting or bring any action against the Trustee with respect to the Trust or its actions as Trustee.

The Trustee shall have the right at any time to apply to a court of competent jurisdiction for judicial settlement of its accounts for determination of any questions of construction, which may arise, or for instructions. The only necessary party defendant to such action shall be the Account Holder, except that the Trustee may, if it so elects, bring in as a party defendant any other person or persons;

O. The Trustee shall be fully protected in acting upon any instrument, certificate, or paper believed by it to be genuine and to be signed or presented by the Account Holder or such proper person or persons, and the Trustee shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained;

P. The Trustee shall be under no duty to question any direction of an Account Holder or his or her agent with respect to any investments, to review or monitor any securities or other property held in Trust, or to make suggestions to the Account Holder or his or her agent with respect to investment. The Trustee will not be liable for any loss that may result by reason of investments made in accordance with the directions of an Account Holder or his or her agent;

Q. Whenever the services of a stockbroker or a dealer are required, the Trustee shall retain the Brokerage Firm designated by the Account Holder in the Application. If no Brokerage Firm is currently selected, the Trustee may, in its discretion, appoint another stockbroker or dealer to handle investments in securities under the Trust;

R. The surviving spouse and/or Beneficiary shall be bound by this Section 5.5, including the indemnification provisions in paragraphs J and L above regarding investments and administration of their interest. Provided, however, should the Beneficiary be a minor or, in the discretion of the Trustee, of unsound mind, the Trustee may liquidate the interest of such Beneficiary and hold such interest in an interest bearing account or money market account until distributed;

S. To not vote in person or by proxy upon securities held by the Trustee and destroy such proxies if received by the Trustee.

5.6 Trustee Compensation

A. The Trustee shall be paid such reasonable compensation as shall from time to time be communicated to the Account Holder by the Trustee, and such compensation shall be chargeable to the Account Holder. The Account Holder hereby covenants and agrees to pay the same.

B. The Trustee shall charge the Account Holder any taxes paid by it which may be imposed upon the Trust or the income thereof or upon which the Trustee is required to pay, as well as all expenses of administration of the Trust, including but not limited to transaction costs, distributions, postage, commissions, fees, and reasonable attorney fees. The Account Holder hereby covenants and agrees to pay the same.

C. In the event the Account Holder shall at any time fail to pay the Trustee's compensation, taxes, and expenses within a reasonable time after demand for such payment has been made by the Trustee on the Account Holder, the Trustee will charge the Trust such compensation, taxes and expenses and may liquidate assets of the Trust for such purposes, as in its sole discretion, it shall determine. The custodian will and hereby agrees to collect such compensation, taxes and expenses for the Trustee as so directed by the Trustee in writing.

D. Notwithstanding any other provision contained in this Trust Agreement, all payments under this Section 5.6 and the liquidation of assets to obtain funds therefore may be made without the approval or direction of the Account Holder. If the Trust is not sufficient to satisfy the Trustee's compensation, fees, taxes, and expenses, then the Trustee will charge the Account Holder for such unpaid compensation, fees, taxes, and expenses.

5.7 Amendment and Termination

A. Each Account Holder who adopts this Trust delegates to the Trustee the power to amend this Trust, including any retroactive amendments, by submitting a copy of such amendments to each Account Holder, but only after receiving:

1. A favorable ruling or determination letter from the Commissioner of IRS that the Trust, as amended, continues to meet the requirements of Code Section 408, or 408A
2. Each Account Holder shall be deemed to have consented to any and all such amendments. In addition, the Trustee may amend the fee schedule from time to time with advance notice to the Account Holder and is not required to seek approval from the IRS.

The Account Holder shall be permitted to revoke this Trust in writing within a period not to exceed seven (7) days after the date that the Account Holder adopted this Trust. In the event of such revocation, the Trustee will return the entire account plus any Trustee compensation, taxes and expenses as soon as practical.

B. Neither the Account Holder nor the Trustee shall have the right to amend or terminate this Trust in such a manner as would cause or permit all or part of the entire interest of the Account Holder to be diverted for purposes other than their exclusive benefit or that of their Beneficiary. No Account Holder shall have the right to sell, assign, discount, or pledge as collateral for a loan any asset of this Trust.

C. An Account Holder shall have the right to terminate or partially terminate this Trust, at any time and from time to time, by delivering to the Trustee a signed copy of a statement of termination.

D. Either the Trustee or the Account Holder may terminate this Trust upon thirty (30) days written notice to the other. Upon resignation or removal of the Trustee, the Account Holder shall appoint a successor trustee that shall have the same powers and duties as are conferred upon the Trustee hereunder and in default thereof, such successor trustee may be appointed by a court of competent jurisdiction.

In the event of removal or resignation of the Trustee, if the Account Holder fails to appoint a successor trustee and complete the transfer of assets within 30 days of the date the Trustee mails such termination notice to the last address on file for the Account Holder or the Account Holder mails such notice to the Trustee, the Trustee may in its discretion, transfer the assets to a successor trustee of its choosing, or liquidate and distribute the assets, less any amounts withheld for Trustee compensation, taxes, and expenses, to the Account Holder. The Trustee will not be responsible for any penalties, fines, taxes, or tax consequences that may result from such distribution or transfer.

E. Upon the delivery by the resigning or removed trustee to its successor trustee of all property of the Trust, less such reasonable amount as it shall deem necessary to provide for its compensation and any taxes and expenses or advances chargeable or payable out of the Trust, the successor trustee shall thereupon have the same powers and duties as are conferred upon the Trustee.

F. No successor trustee shall have any obligation or liability with respect to the acts or omissions of its predecessors.

The actual appointment and qualification of a successor trustee to whom the Trust assets may be transferred are conditions which must be fulfilled before the resignation or removal of the Trustee shall become effective. The transfer of the Trust assets shall be made coincidentally with an accounting by the resigned or removed Trustee and such resigned or removed Trustee shall endorse, transfer, convey and deliver to the successor trustee all of the funds, securities or other property then held by it under the Trust, together with such records as may be reasonably required in order that the successor trustee may properly administer the Trust.

G. This Trust Agreement and the Trust created hereby will be terminated in the case of complete distribution of the Trust.

H. The Trustee shall not have the right to modify or to amend this Trust retroactively in such a manner as to deprive any Account Holder or his or her Beneficiary of any benefit to which he or she may be entitled under this Trust Agreement by reason of contributions made prior to the modification or amendment, unless such modification or amendment is necessary to conform this Trust to, or satisfy the conditions of, any law, governmental regulation or ruling, or to permit this Trust to meet the requirements of Code Section 408.

I. If the Trustee receives any claim to assets held in the Trust which is adverse to the Account Holder's interest or the interest of his or her Beneficiary, and the Trustee, in its absolute discretion, decides the claim is, or may be, meritorious, the Trustee may withhold distribution until the claim is resolved to its satisfaction or until instructed by a court of competent jurisdiction. In any such matter, the Trustee shall be entitled to reimbursement of all costs, fees and expenses, including reasonable attorney's fees, directly from the Trust assets, without the approval or direction of the Account Holder. If necessary, the Trustee may liquidate Trust assets in order to be reimbursed. As an alternative, the Trustee may deposit all or any portion of the assets in the Trust into the court. Deposit with the court shall relieve the Trustee of any further obligation with respect to the assets deposited. The Trustee has the right to be reimbursed from the funds deposited with the court for legal fees and costs incurred. Such reimbursement may be made directly from the Trust assets without approval or direction of the Account Holder. If necessary, the Trustee may liquidate Trust assets in order to be reimbursed as stated above.

5.8 Miscellaneous

A. Notwithstanding anything to the contrary contained in this Trust Agreement or in any amendment thereto, no part of the Trust other than such part as is required to pay the Trustee's compensation, taxes, and administration expenses (including the reimbursement referenced in Section 5.7 (I), shall be used for, or diverted to, purposes other than for the exclusive benefit of the Account Holder, their Beneficiaries, or their estates. The Trust account is established for the exclusive benefit of the Account Holder or his or her Beneficiary.

B. The Trustee shall not be liable for any act or omission made in connection with the Trust except for its intentional misconduct or negligence. Any required notice regarding the Trust will be considered effective when the Trustee mails it to the last address of the intended recipient which is contained in the Trustee's records. Any notice to be given to the Trustee will be considered effective when the Trustee actually receives it. The Account Holder and/or Beneficiaries must notify the Trustee of any change of address in a manner acceptable to the Trustee.

C. To the extent the Trustee is engaged in any form of litigation, arbitration, or dispute resolution concerning the Trust assets or the interest of the Trust, the Trustee shall be entitled to recover all costs, fees and expenses, including reasonable attorney's fees, directly from the Trust assets, pursuant to Section 5.7(I).

D. The terms and conditions of this Trust Agreement shall be applicable without regard to the community property laws of any state.

E. If the Account Holder is married, the Compensation of the Account Holder and any contributions made to this Trust under Section 4.2 shall be determined without regard to the Compensation of the spouse.

F. The captions of Articles and Sections in this Trust Agreement are included for convenience only and shall not be considered a part of, or an aid to, the construction of this Trust.

G. The Account Holder agrees that all controversies between the Account Holder and/or Beneficiaries and the Trustee and any of its officers, directors, agents or employees (present or former) concerning or arising from (i) any account maintained with the Trustee by the Account Holder; (ii) any transaction involving the Account Holder's account, whether or not such transaction occurred in such account or accounts; or (iii) the construction, performance or breach of this Trust Agreement, whether such controversy arose prior, on or subsequent to the date hereof, shall be determined by arbitration under the commercial arbitration rules of the American Arbitration Association disclosed below. Any disputes as to the arbitrability of a matter or the manner of such arbitration shall be determined in such arbitration. Such arbitration shall be held in Wilmington, Delaware.

Arbitration Disclosures: Arbitration is final and binding on the parties except to the extent superceded by the Code or the Act; the parties are waiving their right to seek remedies in court, including the right to jury trial; pre-arbitration discovery is generally more limited than and different from court proceedings; the arbitrators' award is not required to include factual findings or legal reasoning, and any party's right to appeal or to seek modification of rulings by the arbitrators is strictly limited; the panel of arbitrators will consist of arbitrators for American Arbitration Association; the arbitration will be under the commercial arbitration rules of the American Arbitration Association; the arbitration shall be held in Wilmington, Delaware; and any disputes as to such arbitration or the manner thereof shall be determined in such arbitration.

H. The determination that any provision of this Trust Agreement is not enforceable in accordance with its terms in a particular jurisdiction shall not affect the validity or enforceability of the remaining provisions of this Trust Agreement generally or in any other jurisdiction or as to any other parties, but rather such unenforceable provisions shall be stricken or modified in accordance with such determination only as to such parties and this Trust Agreement, as so modified, shall continue to bind the specific parties involved therein and otherwise all other parties in unmodified form.

I. All contributions to this Trust shall be deemed to take place in the State of Delaware.

J. This Trust Agreement may be executed in any number of counterparts, each one of which shall be deemed to be the original although the others shall not be produced.

K. This Trust Agreement is made pursuant to and shall be construed in accordance with the laws of the State of Delaware. Jurisdiction and venue of any matter not subject to the arbitration provisions of this Trust Agreement shall lie solely in the courts of the State of Delaware.

L. The Trustee shall furnish annual calendar-year reports concerning the status of the Account and such information concerning required minimum distribution as is prescribed by the Commissioner of Internal Revenue.

Mailing Address:
P.O. Box 8963
Wilmington, DE 19899-8963
800-209-9010   Fax: 302-999-9554

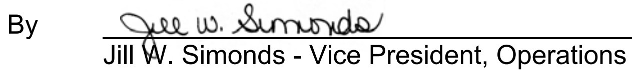
Amendment to Self-Directed Individual Retirement Trust Agreement

Delaware Charter Guarantee & Trust Company, conducting business as Principal Trust Company hereby amends the Principal Trust Company Self-Directed Individual Retirement Trust Agreement as follows to comply with Internal Revenue Service Announcement 2007-55:

Rollovers from Designated Roth Contribution Accounts

Effective for tax years beginning after 2005, a qualified rollover contribution to this Roth IRA includes a rollover from a designated Roth contribution account described in Code section 402A, as provided in Code section 408A(c)(6).

Executed by Principal Trust Company[SM] on December 28, 2007.

By 
Jill W. Simonds - Vice President, Operations

Schedule of Standard Trustee Fees Effective January 1, 2010

Annual Fees

Annual Fee.. $ 30

Annual fees are charged on a calendar year basis and are not pro-rated. There is no percentage charge based on cumulative assets

In the event the fees become delinquent and it becomes necessary to collect the balance through the services of a collection agency, you will be held responsible for their fees.

Your Trustee fees depend on the Brokerage Firm who services your account. Please check with your Brokerage Firm for all fees applicable to your account. If you transfer your account to another Brokerage Firm, you will need to obtain another schedule of fees.

Marsco Investment Corp., 101 Eisenhower Parkway, Roseland, NJ07068
1-800-962-7726 www.marsco.com

WE'LL GIVE YOU AN EDGE[SM]

P.O. Box 8963, Wilmington, DE 19899-8963 | 800-209-9010 | www.principaltrust.com

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