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**TRADITIONAL IRA  
ROTH IRA  
SEP-IRA**

**CUSTODIAL AGREEMENT**

**DISCLOSURE STATEMENT**

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**CNI CHARTER FUNDS**<sup>SM</sup>



**CNI Charter RCB Small Cap Value Fund**



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# INDIVIDUAL RETIREMENT

## CUSTODIAL AGREEMENT • DISCLOSURE STATEMENT

### TRADITIONAL • ROTH • SEP

SEI PRIVATE TRUST COMPANY ACTS AS THE CUSTODIAN  
FOR THE CNI CHARTER RCB SMALL CAP VALUE FUND IRAS

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#### CONSUMER PRIVACY POLICY

SEI Private Trust Company strongly believes in protecting the confidentiality and security of information we collect about individuals. This notice describes the privacy policy followed by SEI Private Trust Company regarding:

- How we treat the information we receive (“Information”) about individuals who apply for or obtain our products or services (“Individuals”); and
- The third parties with whom we may share this Information.

#### INFORMATION WE COLLECT

“Nonpublic Personal Information” is nonpublic information about the Individual that we obtain in connection with providing a financial product or service to the Individual for personal, family, or household purposes. We collect Nonpublic Personal Information from the following sources:

- Information we receive from you on applications or other forms. This may include but not be limited to name, address, social security number and assets;
- Information about your transactions with us and our service providers, or others, such as account balance, payment history, and parties to a transaction.

#### INFORMATION WE SHARE

We do not disclose any Nonpublic Personal Information about our customers or former customers to anyone, except as permitted by law. For example, we may disclose Nonpublic Personal Information about customers:

- To government entities, in response to subpoenas or to comply with laws or regulations;
- When you, the customer, direct the Funds to do so or consent to the disclosure;
- To nonaffiliated companies that perform necessary business services such as performing general administrative activities and assisting us in processing a transaction requested by an Individual;
- To protect against fraud, or to collect unpaid debts.

#### DISCLOSURE OF INFORMATION ABOUT FORMER CUSTOMERS

If an Individual decides to close an account or otherwise becomes an inactive customer, we will continue to follow the privacy practices described in this notice with respect to such Individual.

#### PROTECTING CONFIDENTIALITY AND SECURITY

We treat Information in a confidential manner. Our employees are required to protect the confidentiality of Information. Employees may access Information only when there is an appropriate reason to do so, such as to administer or offer our products and services. Employees are subject to disciplinary rules if they do not comply with our policies.

We also maintain physical, electronic, and procedural safeguards to protect Information; these safeguards comply with all applicable laws. Our commitment to data security involves monitoring new advances in security technology and enhancing our security architecture to ensure that we provide the highest level of privacy and safety available for investment services firms and their customers.

# **INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT PROTOTYPE PLAN AGREEMENT**

## **ARTICLE I PURPOSE OF THE AGREEMENT**

- 1.01 *Purpose of the Agreement.* The purpose of this Agreement is to establish a Traditional IRA under Code section 408(a) or a Roth IRA under Code section 408A, as indicated on the Adoption Agreement, to provide for the IRA Holder's retirement and for the support of his or her Beneficiary(ies) after death. The account is established for the exclusive benefit of the IRA Holder or his or her Beneficiary(ies).
- 1.02 *Intent to Qualify.* It is the intent of the IRA Holder that this Agreement shall qualify for approval under Code section 408A if Option 1 is selected on the Adoption Agreement or under Code section 408(a) if Option 2 is selected. In no event will the custodial account established under this Agreement operate as both a Traditional IRA and a Roth IRA.
- 1.03 *For More Information.* To obtain more information concerning the rules governing this Agreement, contact the Prototype Sponsor or Custodian listed on the Adoption Agreement.

## **ARTICLE II DEFINITIONS**

The following words and phrases when used in this Agreement with initial capital letters shall, for the purpose of this Agreement, have the meanings set forth below unless the context indicates that other meanings are intended:

- 2.01 *Adoption Agreement:* Means the document executed by the IRA Holder through which the individual adopts this Agreement and thereby agrees to be bound by all terms and conditions of this Agreement.
- 2.02 *Agreement:* Means this IRA prototype plan Agreement, including the Adoption Agreement.
- 2.03 *Beneficiary:* Means the individual(s) or entity(ies) properly named to receive any remaining IRA benefits upon the death of the IRA Holder.
- 2.04 *Code:* Means the Internal Revenue Code of 1986, as amended from time to time.
- 2.05 *Compensation:* For purposes of Sections 3.01(A) and 4.01(A) of this Agreement, compensation means wages, salaries, professional fees, or other amounts derived from or received for personal services actually rendered (including, but not limited to commissions paid salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, and bonuses). Compensation for a self-employed individual includes earned income, as defined in Code section 401(c)(2) (reduced by the deduction the self-employed IRA Holder 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 Code section 1402(c)(6). Compensation shall include any amount includible in the IRA Holder's gross income under Code section 71 with respect to a divorce or separation instrument.

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. 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 nonRoth IRA.

- 2.06 *Conversion Contribution*: Means a contribution described in Code section 408A(e) from a Traditional or SIMPLE IRA to a Roth IRA.
- 2.07 *Custodian*: Means the bank or savings and loan association, as defined in Code section 408(n), or any person who has the approval of the Internal Revenue Service (IRS) to act as Custodian which is named on the Adoption Agreement, or their successor.
- 2.08 *Designated Beneficiary*: Means the Beneficiary named as of the date of the IRA Holder's death who remains Beneficiary as of September 30 of the year following the year of the IRA Holder's death.
- 2.09 *IRA*: Means either Traditional IRA or Roth IRA unless otherwise indicated.
- 2.10 *IRA Holder*: Means the individual whose name appears on the Adoption Agreement, who is establishing the IRA.
- 2.11 *Prototype Sponsor*: Means the entity specified on the Adoption Agreement which sponsors this prototype plan.
- 2.12 *Regulations*: Means the Treasury Regulations.
- 2.13 *Roth IRA*: Means an individual retirement account as defined in Code section 408A.
- 2.14 *SIMPLE IRA*: Means the individual retirement account which satisfies the requirements of Code sections 408(p) and 408(a).
- 2.15 *Traditional IRA*: Means an individual retirement account as defined in Code section 408(a).

## ARTICLE III

### PROVISIONS GOVERNING ROTH IRAs

This Article III shall only apply if this IRA has been designated by the IRA Holder on the Adoption Agreement as a Roth IRA.

#### 3.01 *Contribution Rules.*

A. **Maximum Permissible Amount.** Except in the case of a rollover contribution described in Code section 408A(e), a recharacterized contribution described in Code section 408A(d)(6), or a conversion contribution, no contributions will be accepted unless they are in cash, and the total of such contributions shall not exceed the lesser of 100 percent of the Roth IRA Holder's Compensation, or: \$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 applicable contribution limit may 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.

If the Roth IRA Holder makes regular contributions to both Roth and Traditional IRAs for a taxable year, the maximum regular contribution that can be made to all the Roth IRA Holder's Roth IRAs for that taxable year is reduced by the regular contributions made to the Roth IRA Holder's Traditional IRAs for the taxable year.

Contributions may be further limited if the Roth IRA Holder's modified adjusted gross income (MAGI) exceeds the limits described in Section 3.01(C) of this Agreement.

Qualified rollover contribution means a rollover contribution that meets the requirements of Sec. 408(d)(3) of the Internal Revenue Code, except the one-rollover-per-year rule of Sec. 408(d)(3)(B) does not apply if the rollover contribution is from an IRA other than a Roth IRA.

B. **Catch-up Contributions.** In the case of a Roth IRA Holder who is age 50 or older by the close of the taxable year, 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.

C. **Regular Contribution Limit.** If a Roth IRA Holder's MAGI falls within certain limits, as described in the following table, the maximum regular contribution that can be made to all the Roth IRA Holder's Roth IRAs for a taxable year is phased out ratably in accordance with the following table.

<u>Filing Status</u>	<u>Full Contribution</u>	<u>Phase-Out Range Modified AGI</u>	<u>No Contribution</u>
Single or Head of Household	\$95,000 or less	Between \$95,000 and \$110,000	\$110,000 or more
Joint Return or Qualifying Widow(er)	\$150,000 or less	Between \$150,000 and \$160,000	\$160,000 or more
Married - Separate Return	\$0	Between \$0 and \$10,000	\$10,000 or more

D. **Conversion Contribution Limit.** A conversion from a Traditional or SIMPLE IRA cannot be made to this Roth IRA if, in the year the amount is distributed from the Traditional or SIMPLE IRA:

- (1) the Roth IRA Holder is married and files a separate income tax return,
- (2) the Roth IRA Holder is not married and has MAGI in excess of \$100,000, or
- (3) the Roth IRA Holder is married and together the Roth IRA Holder and the his or her spouse have MAGI in excess of \$100,000.

For purposes of the preceding sentence, 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 income tax returns for the taxable year.

A SIMPLE IRA may only be converted to a Roth IRA provided two years have passed since the SIMPLE IRA holder first participated in a SIMPLE IRA plan.

E. **Recharacterization.** A regular contribution to a Traditional or SIMPLE IRA may be recharacterized pursuant to the rules in Regulations section 1.408A-5 as a regular contribution to this Roth IRA, subject to the limits in Section 3.01(C) of this Agreement.

F. **Modified Adjusted Gross Income.** For purposes of Section 3.01(C) and (D) of this Agreement, a Roth IRA Holder's MAGI for a taxable year is 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 conversion from a Traditional or SIMPLE IRA.

G. No Premiums 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 Premiums 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 two-year period beginning on the date the employee first participated in that employer's SIMPLE IRA plan.

3.02 *Roth IRA Holder Distributions.* No amount is required to be distributed prior to the death of the Roth IRA holder for whose benefit the account was originally established. After the Roth IRA Holder's death, however, the Beneficiary(ies) must begin taking distributions in accordance with Section 3.03 of this Agreement.

3.03 *Beneficiary Rights.* If the Roth IRA Holder dies before his or her entire interest is distributed to him or her, the entire remaining interest will be distributed as follows.

A. Notwithstanding any provision of this Roth IRA to the contrary, the distribution of the Roth IRA Holder's interest in the account shall be made in accordance with the requirements of Code section 408(a)(6), as modified by Code section 408A(c)(5), and the Regulations thereunder, the provisions of which are herein incorporated by reference.

If distributions are made from an annuity contract purchased from an insurance company, distributions thereunder must satisfy the requirements of Regulations section 1.401(a)(9)-6T (taking into account Code section 408A(c)(5)), rather than the distribution rules in Section 3.03(B), (C), and (D) of this Agreement.

- B. Upon the death of the Roth IRA Holder, his or her entire interest will be distributed at least as rapidly as follows.
- (i) If the Designated Beneficiary is someone other than the Roth IRA Holder's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Roth IRA 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 Roth IRA Holder's death, or, if elected, in accordance with Section 3.03(B)(iii) of this Agreement.
  - (ii) If the Roth IRA Holder's sole Designated Beneficiary is his or her surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Roth IRA Holder's death (or by the end of the calendar year in which the Roth IRA Holder would have attained age 70½, if later), over such spouse's life, or, if elected, in accordance with Section 3.03(B)(iii) of this Agreement. 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 Section 3.03(B)(iii) of this Agreement. 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.
  - (iii) If there is no Designated Beneficiary, or if applicable by operation of Section 3.03(B)(i) or (B)(ii) of this Agreement, the entire interest will be distributed by the end of the calendar year containing the fifth anniversary of the Roth IRA 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 Section 3.03(B)(ii) of this Agreement).
  - (iv) The amount to be distributed each year under Section 3.03(B)(i) or (ii) of this Agreement 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 Section 3.03 of this Agreement. Life expectancy is determined using the Single Life Table in Q&A-1 of Regulations section 1.401(a)(9)-9. 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 Section 3.03(B)(i) or (ii) of this Agreement and reduced by one for each subsequent year.
- C. The value of the Roth IRA for purposes of this Section is the prior December 31 balance adjusted to include the amount of any outstanding rollovers, transfers and recharacterizations under Q&As-7 and-8 of Regulations section 1.408-8.
- D. If the Designated Beneficiary is the Roth IRA Holder's surviving spouse, the spouse may elect to treat the IRA as his or her own Roth IRA. This election will be deemed to have been made if such surviving spouse, who is the sole Beneficiary of the Roth IRA, makes a contribution to the Roth IRA or fails to take required distributions as a Beneficiary.
- E. If the Beneficiary fails to request a distribution by December 31 of the year following the year the Roth IRA Holder dies, the Custodian reserves the right to elect, in its complete and sole discretion, to do any one of the following:

- make no distribution until the Beneficiary(ies) provides the Custodian a proper withdrawal request;
- distribute the entire Roth IRA to the Beneficiary(ies) in a single sum payment; or
- distribute the entire remaining interest to the Beneficiary(ies) pursuant to the applicable option in Section 3.03(B) of this Agreement.

The Custodian will not be liable for any penalties or taxes related to the Beneficiary's(ies)' failure to take a required minimum distribution.

3.04 *Transfers and Rollovers.* The Custodian can receive amounts transferred or rolled over to this Roth IRA from the trustee or custodian of another Roth IRA as permitted by Code or applicable Regulations. The Custodian reserves the right not to accept any transfer or rollover. If the type of contribution used to establish this Roth IRA is a rollover, as indicated on the Adoption Agreement, the Roth IRA Holder agrees that the rollover is an irrevocable transaction pursuant to Regulations Section 1.402(c)-2, Q-13.

## **ARTICLE IV PROVISIONS GOVERNING TRADITIONAL IRAs**

This Article IV shall only apply if this IRA has been designated by the IRA Holder on the Adoption Agreement as a Traditional IRA.

### 4.01 *Contribution Rules.*

A. **Maximum Permissible Amount.** Except in the case of 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 a contribution made in accordance with the terms of a Simplified Employee Pension (SEP) plan as described in Code section 408(k), no contributions will be accepted unless they are in cash, and the total of such contributions shall not exceed the lesser of 100 percent of the Traditional IRA Holder's Compensation, or \$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.

If the Traditional IRA Holder makes regular contributions to both Traditional and Roth IRAs for a taxable year, the maximum regular contribution that can be made to all the Traditional IRA Holder's Traditional IRAs for that taxable year is reduced by the regular contributions made to the Traditional IRA Holder's Roth IRAs for the taxable year.

B. **Catch-up Contributions.** In the case of a Traditional IRA Holder who is age 50 or older by the close of the taxable year, 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.

C. **SIMPLE IRA.** 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 two-year period beginning on the date the employee first participated in that employer's SIMPLE IRA plan.

### 4.02 *Traditional IRA Holder Distributions.*

A. Notwithstanding any provision of this Agreement to the contrary, the distribution of the Traditional IRA Holder's interest in this Traditional IRA shall be made in accordance with the requirements of Code section 408(a)(6) and the Regulations thereunder, the provisions of which are 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 Regulations section 1.401(a)(9)-6T, rather than Section 4.02(B), (C) and (D) and Section 4.03 of this Agreement. The required

minimum distributions calculated for this Traditional IRA may be withdrawn from another Traditional IRA of the Traditional IRA Holder in accordance with Q&A-9 of Regulations section 1.408-8.

- B. The entire value of the account of the Traditional IRA Holder for whose benefit the account is maintained will begin to be distributed no later than the first day of April following the calendar year in which such Traditional IRA Holder attains age 70½ (the required beginning date) over the life of such Traditional IRA Holder or the lives of such Traditional IRA Holder and his or her Designated Beneficiary.
- C. The amount to be distributed each year, beginning with the calendar year in which the Traditional IRA Holder attains age 70½ and continuing through the year of death, shall not be less than the quotient obtained by dividing the value of the Traditional IRA (as modified by Section 4.03(C) of this Agreement) as of the end of the preceding year by the distribution period in the Uniform Lifetime Table in Q&A-2 of Regulations section 1.401(a)(9)-9, using the Traditional IRA Holder's age as of his or her birthday in the year. However, if the Traditional IRA Holder's sole Designated Beneficiary is his or her surviving spouse and such spouse is more than 10 years younger than the Traditional IRA Holder, then the distribution period is determined under the Joint and Last Survivor Table in Q&A-3 of Regulations section 1.401(a)(9)-9, using the ages as of the Traditional IRA Holder's and spouse's birthdays in the year.
- D. The required minimum distribution for the year the Traditional IRA Holder attains age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.
- E. If the IRA Holder fails to request his or her required minimum distribution by his or her required beginning date, the Custodian can, at its complete and sole discretion, do any one of the following:
  - make no distribution until the IRA Holder provides a proper withdrawal request to the Custodian;
  - distribute the entire Traditional IRA to the IRA Holder in a single sum payment; or
  - determine the IRA Holder's required minimum distribution from the Traditional IRA each year based on the IRA Holder's life expectancy, calculated using the Uniform Lifetime Table in Regulations section 1.401(a)(9)-9, and pay those distributions to the IRA Holder until directed otherwise.

The Custodian will not be liable for any penalties or taxes related to the Traditional IRA Holder's failure to take a required minimum distribution.

4.03 *Beneficiary Rights.* If the Traditional IRA Holder dies before his or her entire interest is distributed to him or her, the entire remaining interest will be distributed as follows.

- A. *Death on or After Required Beginning Date.* If the Traditional IRA Holder dies on or after the required beginning date, the remaining portion of his or her interest will be distributed at least as rapidly as follows.
  - 1. If the Designated Beneficiary is someone other than the Traditional IRA 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 Traditional IRA Holder's death, or over the period described in Section 4.03(A)(3) of this Agreement if longer.
  - 2. If the Traditional IRA Holder's sole Designated Beneficiary is the Traditional IRA Holder's surviving spouse, the remaining interest will be distributed over such spouse's life or over the period described in Section 4.03(A)(3) of this Agreement if longer. Any interest remaining after such spouse's death will be distributed over such 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, or, if the distributions are being made over the period described in Section 4.03(A)(3) of this Agreement, over such period.

3. If there is no Designated Beneficiary, or if applicable by operation of Section 4.03(A)(1) or (A)(2) of this Agreement, the remaining interest will be distributed over the Traditional IRA Holder's remaining life expectancy determined in the year of the Traditional IRA Holder's death.
  4. The amount to be distributed each year under Section 4.03(A)(1), (2) or (3) of this Agreement, beginning with the calendar year following the calendar year of the Traditional IRA Holder's death, is the quotient obtained by dividing the value of the Traditional IRA as of the end of the preceding year by the remaining life expectancy specified in Section 4.03 of this Agreement. Life expectancy is determined using the Single Life Table in Q&A-1 of Regulations section 1.401(a)(9)-9. 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 Traditional IRA Holder's age in the year specified in Section 4.03(A)(1), (2) or (3) of this Agreement and reduced by one for each subsequent year.
- B. Death Before Required Beginning Date. If the Traditional IRA Holder dies before the required beginning date, his or her entire interest will be distributed at least as rapidly as follows.
1. If the Designated Beneficiary is someone other than the Traditional IRA Holder's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Traditional IRA 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 Traditional IRA Holder's death, or, if elected, in accordance with Section 4.03(B)(3) of this Agreement.
  2. If the Traditional IRA Holder's sole Designated Beneficiary is the Traditional IRA Holder's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Traditional IRA Holder's death (or by the end of the calendar year in which the Traditional IRA Holder would have attained age 70½, if later), over such spouse's life, or, if elected, in accordance with Section 4.03(B)(3) of this Agreement. 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 Section 4.03(B)(3) of this Agreement. 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 Section 4.03(B)(1) or (B)(2) of this Agreement, the entire interest will be distributed by the end of the calendar year containing the fifth anniversary of the Traditional IRA 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 Section 4.03(B)(2) of this Agreement).
  4. The amount to be distributed each year under Section 4.03(B)(1) or (2) of this Agreement is the quotient obtained by dividing the value of the Traditional IRA as of the end of the preceding year by the remaining life expectancy specified in Section 4.03 of this Agreement. Life expectancy is determined using the Single Life Table in Q&A-1 of Regulation section 1.401(a)(9)-9. 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 Section 4.03(B)(1) or (2) of this Agreement and reduced by one for each subsequent year.

- C. The value of the Traditional IRA for purposes of this Section is the prior December 31 balance adjusted to include the amount of any outstanding rollovers, transfers and recharacterizations under Q&As-7 and-8 of Regulations section 1.408-8.
- D. If the Designated Beneficiary is the Traditional IRA Holder's surviving spouse, the spouse may elect to treat the Traditional IRA as his or her own Traditional IRA. This election will be deemed to have been made if such surviving spouse, who is the sole Beneficiary of the Traditional IRA, makes a contribution to the Traditional IRA or fails to take required distributions as a Beneficiary.
- E. If the Beneficiary fails to request a distribution by December 31 of the year following the year the Traditional IRA Holder dies, the Custodian reserves the right to elect, in its complete and sole discretion, to do any one of the following:
  - make no distribution until the Beneficiary(ies) provides the Custodian a proper withdrawal request;
  - distribute the entire Traditional IRA to the Beneficiary(ies) in a single sum payment; or
  - distribute the entire remaining interest to the Beneficiary(ies) pursuant to the applicable option in Section 4.03(A) or (B) of this Agreement.

The Custodian will not be liable for any penalties or taxes related to the Beneficiary's failure to take a required minimum distribution.

- 4.04 *Transfers and Rollovers.* The Custodian can receive amounts transferred to this Traditional IRA from the trustee or custodian of another Traditional IRA. In addition, the Custodian can accept direct rollovers of eligible rollover distributions from employer-sponsored retirement plans as permitted by the Code and applicable Regulations. The Custodian reserves the right not to accept any transfer or rollover. If the type of contribution used to establish this Traditional IRA is a rollover, as indicated on the Adoption Agreement, the Traditional IRA holder agrees that the rollover is an irrevocable transaction pursuant to Regulations section 1.402(c)-2, Q-13.

## **ARTICLE V PROVISIONS GOVERNING BOTH TRADITIONAL AND ROTH IRAs**

- 5.01 *Notices and Change of Address.* Any required notice regarding this IRA will be considered effective when sent by the Custodian to the intended recipient at the last address which the Custodian has in its records. Any notice to be given to the Custodian will be considered effective when actually received. The IRA Holder, or the intended recipient, must notify the Custodian of any change of address.
- 5.02 *Representations and Responsibilities.* The IRA Holder represents and warrants to the Custodian that any information he or she has given or will give to the Custodian with respect to this Agreement is complete and accurate. Further, the IRA Holder agrees that any directions the IRA Holder gives, or action the IRA Holder takes will be proper under this Agreement, and that the Custodian is entitled to rely upon any such information or directions. If the Custodian fails to receive directions from the IRA Holder regarding any transaction, or if the Custodian receives ambiguous directions regarding any transaction, or the Custodian, in good faith, believes that any transaction requested is in dispute, the Custodian reserves the right to take no action until further clarification acceptable to the Custodian is received from the IRA Holder or the appropriate government or judicial authority. The Custodian shall not be responsible for losses of any kind that may result from the IRA Holder's directions to the Custodian, or the IRA Holder's actions or failures to act,

and the IRA Holder agrees to reimburse the Custodian for any loss the Custodian may incur as a result of such directions, actions or failures to act. The Custodian shall not be responsible for any penalties, taxes, judgments or expenses the IRA Holder incurs in connection with the IRA. The Custodian has no duty to determine whether the IRA Holder's contributions or distributions comply with the Code, Regulations, rulings or this Agreement. The Custodian may permit the IRA Holder to appoint, through written notice acceptable to the Custodian, an authorized agent to act on the IRA Holder's behalf with respect to this Agreement (e.g., attorney-in-fact, executor, administrator, investment manager), however, the Custodian has no duty to determine the validity of such appointment or any instrument appointing such authorized agent. The Custodian shall not be responsible for losses of any kind that may result from directions, actions or failures to act by the IRA Holder's authorized agent, and the IRA Holder agrees to reimburse the Custodian for any loss the Custodian may incur as a result of such directions, actions or failures to act by the IRA Holder's authorized agent. The IRA Holder will have sixty (60) days after receiving any documents, statements or other information from the Custodian to notify the Custodian in writing of any errors or inaccuracies reflected in these documents, statements or other information. If the IRA holder does not notify the Custodian within 60 days, the documents, statements or other information shall be deemed correct and accurate, and the Custodian shall have no further liability or obligation for such documents, statements, other information or the transactions described therein.

By performing services under this Agreement the Custodian is acting as the IRA Holder's agent. The IRA Holder acknowledges and agrees that nothing in this Agreement shall be construed as conferring fiduciary status upon the Custodian. The Custodian shall not be required to perform any additional services unless specifically agreed to under the terms and conditions of this Agreement, or as required under the Code and the Regulations promulgated thereunder with respect to IRAs. The IRA Holder agrees to indemnify and hold the Custodian harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs and expenses, including attorney's fees, arising from, or in connection with this Agreement.

To the extent written instructions or notices are required under this Agreement the Custodian may accept or provide such information in any other form permitted by the Code or applicable regulations including, but not limited to, telephonic and electronic mediums.

- 5.03 *Service Fees.* The Custodian has the right to charge an annual service fee or other designated fees (e.g., a transfer, rollover or termination fee) for maintaining this IRA. In addition, the Custodian has the right to be reimbursed for all reasonable expenses, including legal expenses, incurred in connection with the administration of this IRA. The Custodian may charge the IRA Holder separately for any fees or expenses, or may deduct the amount of the fees or expenses from the assets in the IRA at its discretion. The Custodian reserves the right to charge any additional fee upon 30 days notice to the IRA Holder that the fee will be effective.

Any brokerage commissions attributable to the assets in the IRA will be charged to the IRA. The IRA Holder cannot reimburse the IRA for those commissions.

- 5.04 *Investment of Amounts in the IRA.* The IRA Holder has exclusive responsibility for and control over the investment of the assets of his or her IRA. All transactions shall be subject to any and all restrictions or limitations, direct or indirect, which are imposed by the Custodian's charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs and usages of any exchange, market or clearing house where the transaction is executed; the Custodian's policies and practices; and this Agreement. After the IRA Holder's death, his or her Beneficiary(ies) shall have the right to direct the investment of the IRA assets, subject to the same conditions that applied to the IRA Holder during his or her lifetime under this Agreement (including, without limitation, Section 5.02 of this Agreement). The Custodian shall have no discretion to direct any investment in the IRA. The Custodian assumes no responsibility for rendering investment advice with respect to the IRA, nor will the Custodian offer any opinion or

judgment to the IRA Holder on matters concerning the value or suitability of any investment or proposed investment for the IRA. In the absence of instructions from the IRA Holder or if the instructions are not in an acceptable form, the Custodian shall have the right to hold any uninvested amounts in cash, and shall have no responsibility to invest uninvested cash unless and until directed by the IRA Holder. The Custodian will not exercise the voting rights and other shareholder rights with respect to investments in the IRA unless the IRA Holder provides timely written directions acceptable to the Custodian.

The IRA Holder will select the type of investment for his or her IRA assets, provided, however, that the selection of investments shall be limited to those types of investments that the Custodian is authorized by its charter, articles of incorporation, or bylaws to offer and do in fact offer for investment in IRAs.

**5.05 *Beneficiary Designations.*** If the IRA Holder dies before he or she receives all of the amounts in the IRA, payments from the IRA will be made to the Beneficiary(ies) of the IRA. The IRA Holder may designate one or more person(s) or entity(ies) as Beneficiary of the IRA. This designation can only be made on a form provided by or acceptable to the Custodian and it will only be effective when it is filed with the Custodian during the IRA Holder's lifetime. Unless otherwise specified, each Beneficiary designation the IRA Holder files with the Custodian will cancel all previous ones. The consent of a Beneficiary(ies) shall not be required for the IRA Holder to revoke a Beneficiary designation. If the IRA Holder has designated both primary and contingent Beneficiaries and no primary Beneficiary(ies) survives the IRA Holder, the contingent Beneficiary(ies) shall acquire the designated share of the IRA Holder's IRA. If the IRA Holder does not designate a Beneficiary, or if all of the IRA Holder's primary and contingent Beneficiary(ies) predecease the IRA Holder, the IRA Holder's estate will be the Beneficiary. If an IRA Holder who is married fails to designate a Beneficiary, the IRA Holder's surviving spouse will be the Beneficiary. If there is no surviving spouse, the IRA Holder's estate will be the Beneficiary.

The Custodian may allow, if permitted by state law, an original IRA Beneficiary(ies) (the Beneficiary(ies) who is entitled to receive distribution(s) from an inherited IRA at the time of the IRA Holder's death) to name a successor Beneficiary(ies) for the inherited IRA. This designation can only be made on a form provided by or acceptable to the Custodian, and it will only be effective when it is filed with the Custodian during the original IRA Beneficiary's(ies') lifetime. Unless otherwise specified, each Beneficiary designation form the original IRA Beneficiary(ies) files with the Custodian will cancel all previous ones. The consent of a successor Beneficiary(ies) shall not be required for the original IRA Beneficiary(ies) to revoke a successor Beneficiary(ies) designation. If the original IRA Beneficiary(ies) does not designate a successor Beneficiary(ies), his or her estate will be the successor Beneficiary. In no event shall the successor Beneficiary(ies) be able to extend the distribution period beyond that required for the original IRA Beneficiary.

**5.06 *Termination of Agreement, Resignation, or Removal of Custodian.*** Either party may terminate this Agreement at any time by giving written notice to the other. The Custodian can resign at any time effective 30 days after mailing written notice of its resignation to the IRA Holder. Upon receipt of that notice, the IRA Holder must make arrangements to transfer the IRA to another financial organization. If the IRA Holder does not complete a transfer of the IRA within 30 days from the date the Custodian mails the notice to the IRA Holder, the Custodian has the right to transfer the assets of this IRA to a successor IRA custodian or trustee that the Custodian chooses in its sole discretion, or the Custodian may pay the assets of this IRA to the IRA Holder in a single sum. The Custodian shall not be liable for any actions or failures to act on the part of any successor custodian or trustee, nor for any tax consequences the IRA Holder may incur that result from the transfer or distribution of IRA assets pursuant to this section.

If this Agreement is terminated, the Custodian may charge this IRA a reasonable amount of money that it believes is necessary to cover any associated costs, including but not limited to, one or more of the following:

- (a) any fees, expenses or taxes chargeable against this IRA;
- (b) any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in this IRA.

If the Custodian is required to comply with Regulations section 1.408-2(e) and fails to do so, or is not keeping the records, making the returns or sending the statements as are required by forms or Regulations, the IRS may, after notifying the IRA Holder, require the IRA Holder to substitute another trustee or custodian.

The Custodian may establish a policy requiring distribution of the entire balance of the IRA to the IRA Holder in cash or property if the balance of the IRA drops below the minimum balance required under the applicable investment or policy established.

- 5.07 *Successor Custodian.* If the Custodian changes its name, reorganizes, or merges with another organization (or comes under the control of any federal or state agency), or if its entire organization (or any portion which includes this IRA) is bought by another organization, that organization (or agency) shall automatically become the trustee or custodian of this IRA, but only if it is the type of organization authorized to serve as an IRA trustee or custodian.
- 5.08 *Amendments.* By adopting this Agreement the IRA Holder delegates to the Prototype Sponsor the power to amend or replace this Agreement to conform it to the provisions of the Code, applicable Regulations or administrative rulings pertaining to IRAs, and to make such other changes to this Agreement, which, in the judgment of the Prototype Sponsor, are necessary or appropriate. The IRA Holder shall be deemed to have consented to all such amendments unless, within 30 days from the date the amendment is mailed, the IRA Holder notifies the Custodian in writing that the IRA Holder does not consent.

The Prototype Sponsor shall notify the IRA Holder should it discontinue sponsorship of this Agreement. The Prototype Sponsor's duties are limited to those expressly assigned to it under the terms of this Agreement together with any requirements of prototype IRA plans that may be set forth from time to time by the IRS under its rules and procedures.

- 5.09 *Withdrawals or Transfers.* All requests for withdrawal or transfer shall be in any form permitted by the Custodian, on a form provided by or acceptable to the Custodian. The method of distribution must be specified in writing. The tax identification number of the recipient must be provided to the Custodian before it is obligated to make a distribution. Withdrawals shall be subject to all applicable tax and other laws and regulations, including possible early withdrawal penalties or surrender charges and withholding requirements.
- 5.10 *Liquidation of Assets.* The Custodian has the right to liquidate assets in this IRA if necessary to make distributions or to pay fees, expenses, taxes, penalties or surrender charges properly chargeable against this IRA. If the IRA Holder fails, after notice, to direct the Custodian as to which assets to liquidate, the Custodian will decide in its complete and sole discretion, and the IRA Holder agrees not to hold the Custodian liable for any adverse consequences that result from its decision.
- 5.11 *Restrictions on the Fund.* The IRA Holder's interest in the balance in this IRA is nonforfeitable at all times. Neither the IRA Holder nor any Beneficiary(ies) may sell, transfer or pledge any interest in this IRA in any manner whatsoever, except as provided by law or this Agreement.

No part of this IRA may be invested in life insurance contracts, nor may the assets of this IRA be commingled with other property except in a common trust fund or common investment fund (within the meaning of Code section 408(a)(5)). No part of this IRA may be invested in collectibles (within the meaning of Code section 408(m)) except as otherwise permitted by Code section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins issued under the laws of any state, and certain bullion.

The assets in this IRA shall not be responsible for the debts, contracts or torts of any person entitled to distributions under this Agreement.

- 5.12 *Reporting Responsibilities.* The IRA Holder agrees to provide the Custodian with information necessary for the Custodian to prepare any reports required under Code sections 408(i), 408A(d)(3)(D), and Regulations sections 1.408-5 and 1.408-6. The Custodian agrees to submit reports to the IRS and the IRA Holder (or Beneficiary(ies) upon the IRA Holder's death) as prescribed by the IRS and such additional reports as the Custodian may choose to deliver. The Custodian shall furnish annual calendar-year reports concerning the status of the IRA and such information concerning required minimum distributions as is prescribed by the Commissioner of the IRS.
- 5.13 *What Law Applies.* This Agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this Agreement, the law of the Custodian's domicile shall govern.

If any part of this Agreement is held to be illegal or invalid, the remaining parts shall not be affected. Neither the IRA Holder nor the Custodian's failure to enforce at any time or for any period of time any of the provisions of this Agreement shall be construed as a waiver of such provisions, or either party's right thereafter to enforce each and every such provision.

# IRA DISCLOSURE STATEMENT

**This Disclosure Statement explains the rules governing the type of IRA you designated on the Adoption Agreement. The term IRA will be used in this Disclosure Statement to refer to a Traditional IRA (under Internal Revenue Code (Code) sections 408(a) or 408(b)) or a Roth IRA (under Code section 408A) unless specified otherwise.**

## RIGHT TO REVOKE YOUR IRA

If you receive this Disclosure Statement at the time you establish your IRA, you have the right to revoke your IRA within seven (7) days of its establishment. If revoked, you are entitled to a full return of the contribution you made to your IRA. The amount returned to you would not include an adjustment for such items as sales commissions, administrative expenses, or fluctuation in market value. You may make this revocation only by mailing or delivering a written notice to the Custodian at the address listed on the Adoption Agreement.

If you send your notice by first class mail, your revocation will be deemed mailed as of the postmark date.

If you have any questions about the procedure for revoking your IRA, please call the Custodian at the telephone number listed on the Adoption Agreement.

## REQUIREMENTS OF AN IRA

- A. *CASH CONTRIBUTIONS* — Your contribution must be in cash, unless it is a rollover contribution or a conversion contribution to a Roth IRA.
- B. *MAXIMUM ROTH IRA CONTRIBUTION* — The total amount you may contribute to a Roth IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$3,000 for years 2002-2004, \$4,000 for years 2005-2007, and \$5,000 for 2008, with possible cost-of-living adjustments in years 2009 and beyond. If you also maintain a Traditional IRA, the maximum contribution to your Roth IRA is reduced by any contributions you make to your Traditional IRA. Your total annual contribution to all Traditional IRAs and Roth IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.

Your Roth IRA contribution is further limited if your modified adjusted gross income (MAGI) equals or exceeds \$150,000 if you are a married individual filing a joint income tax return, or equals or exceeds \$95,000 if you are a single individual. Married individuals filing a joint income tax return with MAGI equaling or exceeding \$160,000 may not fund a Roth IRA. Single individuals with MAGI equaling or exceeding \$110,000 may not fund a Roth IRA. Married individuals filing a separate tax return with MAGI equaling or exceeding \$10,000 may not fund a Roth IRA.

If you are married filing a joint income tax return and your MAGI is between \$150,000 and \$160,000, your maximum Roth IRA contribution is determined as follows: (1) Subtract your MAGI from \$160,000; (2) divide the difference by \$10,000; and (3) multiply the result in step (2) by the maximum allowable contribution for the year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 and your MAGI is \$155,000, your maximum Roth IRA contribution for 2002 is \$1,500. This amount is determined as follows: [(\$160,000 minus \$155,000) divided by \$10,000] multiplied by \$3,000.

If you are single and your MAGI is between \$95,000 and \$110,000, your maximum Roth IRA contribution is determined as follows: (1) Subtract your MAGI from \$110,000; (2) divide the difference by \$15,000; and (3) multiply the result in step (2) by the maximum allowable contribution for the year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 and your MAGI is \$98,000, your maximum Roth IRA contribution for 2002 is \$2,400. This amount is determined as follows: [(\$110,000 minus \$98,000) divided by \$15,000] multiplied by \$3,000.

- C. *MAXIMUM TRADITIONAL IRA CONTRIBUTION* — The total amount you may contribute to a Traditional IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$3,000 for years 2002-2004, \$4,000 for years 2005-2007, and \$5,000 for 2008, with possible cost-of-living adjustments in years 2009 and beyond. If you also

maintain a Roth IRA, the maximum contribution to your Traditional IRAs is reduced by any contributions you make to your Roth IRA. Your total annual contribution to all Traditional IRAs and Roth IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.

- D. *ROTH IRA CONTRIBUTION ELIGIBILITY* — You are eligible to make a regular contribution to your Roth IRA, regardless of your age, if you have compensation and your MAGI is below the maximum threshold. Your Roth IRA contribution is not limited by your participation in a retirement plan, other than a Traditional IRA.
- E. *TRADITIONAL IRA CONTRIBUTION ELIGIBILITY* — You are eligible to make a regular contribution to your Traditional IRA if you have compensation and have not attained age 70½ by the end of the taxable year for which the contribution is made.
- F. *CATCH-UP CONTRIBUTIONS* — If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your IRA. The maximum additional contribution is \$500 for years 2002-2005 and \$1,000 for years 2006 and beyond.
- G. *NONFORFEITABILITY* — Your interest in your IRA is nonforfeitable.
- H. *ELIGIBLE CUSTODIANS* — The Custodian of your IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.
- I. *COMMINGLING ASSETS* — The assets of your IRA cannot be commingled with other property except in a common trust fund or common investment fund.
- J. *LIFE INSURANCE* — No portion of your IRA may be invested in life insurance contracts.
- K. *COLLECTIBLES* — You may not invest the assets of your IRA in collectibles (within the meaning of Code section 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver coins and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum or palladium bullion (as described in Code section 408(m)(3)) are also permitted as IRA investments.
- L. *REQUIRED MINIMUM DISTRIBUTIONS FOR ROTH IRAs* — You are not required to take distributions from your Roth IRA at age 70½ (as required for Traditional IRAs). However, your Beneficiary(ies) is generally required to take distributions from your Roth IRA after your death. See the section titled *Beneficiary Options for Roth IRAs* in this Disclosure Statement regarding Beneficiary's(ies)' required minimum distributions.
- M. *BENEFICIARY OPTIONS FOR ROTH IRAs* — Your Designated Beneficiary is determined based on the Beneficiary(ies) designated as of the date of your death who remains your Beneficiary(ies) as of September 30 of the year following the year of your death. The entire amount remaining in your account will, at the election of your Beneficiary(ies), either

- (1) be distributed by December 31 of the year containing the fifth anniversary of your death, or
- (2) be distributed over the life expectancy of your Designated Beneficiary(ies).

Your Designated Beneficiary(ies) must elect either option (1) or (2) by December 31 of the year following the year of your death. If no election is made, distribution will be calculated in accordance with option (2). In the case of distribution under option (2), distributions must commence by December 31 of the year following the year of your death. If your spouse is the Designated Beneficiary, distributions need not commence until December 31 of the year you would have attained age 70½, if later. If a Beneficiary(ies) other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no Designated Beneficiary(ies) of your Roth IRA for purposes of determining the distribution period. If there is no Designated Beneficiary of your Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

A spouse who is the sole Designated Beneficiary of your entire Roth IRA may elect to redesignate your Roth IRA as his or her own. Alternatively, the sole spouse Beneficiary will be deemed to elect to treat your Roth IRA as his or her own by either (1) making contributions

to your Roth IRA or (2) failing to timely remove a required minimum distribution from your Roth IRA. Regardless of whether or not the spouse is the sole Designated Beneficiary of your Roth IRA, a spouse Beneficiary may roll over his or her share of the assets to his or her own Roth IRA.

To the extent the IRS permits use of the required minimum distribution rules provided in either the 1987 or the 2001 Proposed Regulations under Code sections 408 and 401(a)(9), those rules, as specifically described in the Regulations and as summarized in the applicable IRS Publication 590, may continue to be applied. These transactions are often complex. If you have any questions regarding required minimum distributions, please see a competent tax advisor.

**N. REQUIRED MINIMUM DISTRIBUTIONS AND BENEFICIARY OPTIONS FOR TRADITIONAL IRAs** — You are required to take minimum distributions from your Traditional IRA at certain times in accordance with Regulations section 1.408-8. Below is a summary of the IRA distribution rules.

1. You are required to take a minimum distribution from your Traditional IRA for the year in which you reach age 70½ and for each year thereafter. You must take your first distribution by your required beginning date, which is April 1 of the year following the year you attain age 70½. The minimum distribution for any taxable year is equal to the amount obtained by dividing the account balance at the end of the prior year by the applicable divisor.
2. The applicable divisor is generally determined using the Uniform Lifetime Table provided by the IRS. The table assumes a Designated Beneficiary exactly 10 years younger than you, regardless of who is named as your Beneficiary(ies), if any. If your spouse is your sole Designated Beneficiary, and is more than 10 years younger than you, the required minimum distribution is determined annually using the actual joint life expectancy of you and your spouse obtained from the joint and last survivor table provided by the IRS, rather than the life expectancy divisor from the Uniform Lifetime Table.

We reserve the right to do any one of the following by April 1 of the year following the year in which you turn age 70½:

- (a) make no distribution until you give us a proper withdrawal request,
  - (b) distribute your entire IRA to you in a single sum payment, or
  - (c) determine your required minimum distribution each year based on your life expectancy calculated using the Uniform Lifetime Table, and pay those distributions to you until you direct otherwise.
3. Your Designated Beneficiary is determined based on the Beneficiary(ies) designated as of the date of your death, who remains your Beneficiary(ies) as of September 30 of the year following the year of your death. If you die,
- (a) on or after your required beginning date, distributions must be made to your Beneficiary(ies) over the longer of the single life expectancy of your Designated Beneficiary(ies), or your remaining life expectancy. If a Beneficiary other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no Designated Beneficiary of your IRA for purposes of determining the distribution period. If there is no Designated Beneficiary of your IRA, distributions will commence using your single life expectancy, reduced by one in each subsequent year.
  - (b) before your required beginning date, the entire amount remaining in your account will, at the election of your Designated Beneficiary(ies), either
    - (i) be distributed by December 31 of the year containing the fifth anniversary of your death, or
    - (ii) be distributed over the remaining life expectancy of your Designated Beneficiary(ies).

Your Designated Beneficiary(ies) must elect either option (i) or (ii) by December 31 of the year following the year of your death. If no election is made, distributions will be calculated in accordance with option (ii). In the case of distributions under option (ii), distributions must commence by December 31 of the year following the year of your death. If your spouse is the Designated Beneficiary, distributions need not commence until

December 31 of the year you would have attained age 70½, if later. If a Beneficiary(ies) other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no Designated Beneficiary(ies) of your IRA for purposes of determining the distribution period. If there is no Designated Beneficiary of your IRA, the entire IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

A spouse who is the sole Designated Beneficiary of your entire IRA may elect to redesignate your IRA as his or her own. Alternatively, the sole spouse Beneficiary will be deemed to elect to treat your IRA as his or her own by either (1) making contributions to your IRA or (2) failing to timely remove a required minimum distribution from your IRA. Regardless of whether or not the spouse is the sole Designated Beneficiary of your IRA, a spouse Beneficiary may roll over his or her share of the assets to his or her own IRA.

4. To the extent the IRS permits use of the required minimum distribution rules provided in either the 1987 or the 2001 Proposed Regulations under Code sections 408 and 401(a)(9), those rules, as specifically described in the Regulations, and as summarized in the applicable IRS Publication 590, may continue to be applied. These transactions are often complex. If you have any questions regarding required minimum distributions, please see a competent tax advisor.

## **INCOME TAX CONSEQUENCES OF ESTABLISHING AN IRA**

- A. **CONTRIBUTION DEDUCTIBILITY FOR ROTH IRAs** — No deduction is allowed for Roth IRA contributions, including transfers, rollovers and conversion contributions.
- B. **CONTRIBUTION DEDUCTIBILITY FOR TRADITIONAL IRAs** — If you are eligible to contribute to your Traditional IRA, the amount of the contribution for which you may take a tax deduction will depend upon whether you (or, in some cases, your spouse) are an active participant in an employer-maintained retirement plan. If you (and your spouse if married) are not an active participant, your entire Traditional IRA contribution will be deductible. If you are an active participant (or are married to an active participant), the deductibility of your contribution will depend on your MAGI and your tax filing status for the tax year for which the contribution was made. MAGI is determined on your income tax return using your adjusted gross income but disregarding any deductible Traditional IRA contribution.

**Definition of Active Participant** — Generally, you will be an active participant if you are covered by one or more of the following employer-maintained retirement plans:

1. a qualified pension, profit sharing, 401(k), or stock bonus plan;
2. a qualified annuity plan of an employer;
3. a simplified employee pension (SEP) plan;
4. a retirement plan established by the federal government, a state, or a political subdivision (except certain unfunded deferred compensation plans under Code section 457);
5. a tax-sheltered annuity for employees of certain tax-exempt organizations or public schools;
6. a plan meeting the requirements of Code section 501(c)(18);
7. a qualified plan for self-employed individuals (H.R. 10 or Keogh Plan); and
8. a savings incentive match plan for employees of small employers (SIMPLE) IRA plan or a SIMPLE 401(k) plan.

If you do not know whether your employer maintains one of these plans, or whether you are an active participant in it, check with your employer or your tax advisor. Also, the IRS Form W-2, *Wage and Tax Statement* that you receive at the end of the year from your employer will indicate whether you are an active participant.

If you are an active participant and are single, the deductible amount of your Traditional IRA contribution is determined as follows: (1) begin with the appropriate phase-out range maximum for the applicable year (specified below), and subtract your MAGI; (2) divide this

total by the difference between the phase-out maximum and minimum; (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. The resulting figure will be the maximum Traditional IRA deduction you may take. For example, if you are age 30 with MAGI of \$36,000 in 2002, your maximum deductible contribution is \$2,400 (the 2002 phase-out range maximum of \$44,000 minus your MAGI of \$36,000, divided by the difference between the maximum and minimum phase-out range limits of \$10,000 and multiplied by the contribution limit of \$3,000.)

If you are an active participant, are married and you file a joint income tax return, the deductible amount of your Traditional IRA contribution is determined as follows: (1) begin with the appropriate phase-out maximum for the applicable year (specified below), and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. The resulting figure will be the maximum Traditional IRA deduction you may take. For example, if you are age 30 with MAGI of \$56,000 in 2002, your maximum Traditional IRA deductible contribution is \$2,400 (the 2002 phase-out maximum of \$64,000 minus your MAGI of \$56,000, divided by the difference between the maximum and minimum phase-out limits of \$10,000 and multiplied by the contribution limit of \$3,000).

If you are an active participant, are married and you file a separate income tax return, your MAGI phase-out range is generally \$0 - \$10,000. However, if you lived apart for the entire tax year, you are treated as a single filer.

Tax Year	Joint Filers	Single Taxpayers
	Phase-out Range	Phase-out Range
	(minimum) (maximum)	(minimum) (maximum)
2002	\$54,000 - \$64,000	\$34,000 - \$44,000
2003	\$60,000 - \$70,000	\$40,000 - \$50,000
2004	\$65,000 - \$75,000	\$45,000 - \$55,000
2005	\$70,000 - \$80,000	\$50,000 - \$60,000
2006	\$75,000 - \$85,000	\$50,000 - \$60,000
2007	\$80,000 - \$100,000	\$50,000 - \$60,000

If you are not an active participant in an employer-maintained retirement plan, are married to someone who is an active participant, and you file a joint income tax return, your maximum deductible Traditional IRA contribution is determined as follows: (1) begin with \$160,000 and subtract your MAGI; (2) divide this total by \$10,000; (3) multiply this number by the maximum allowable Traditional IRA contribution for the applicable year, including catch-up contributions if you are age 50 or older. The resulting figure will be the maximum Traditional IRA deduction you may take.

You must round the resulting deduction to the next highest \$10 if the number is not a multiple of 10. If your resulting deduction is between \$0 and \$200 you may round up to \$200.

- C. **CONTRIBUTION DEADLINE** — The deadline for making an IRA contribution is your tax return due date (not including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar year taxpayer, and you make your IRA contribution on or before April 15, your contribution is considered to have been made for the previous tax year if you designate it as such.
- D. **TAX CREDIT FOR CONTRIBUTIONS** — For taxable years beginning on or after January 1, 2002, and ending on or before December 31, 2006, you may be eligible to receive a tax credit for your IRA contributions. This credit will be allowed in addition to any tax deduction that may apply, and may not exceed \$1,000 in a given year. You may be eligible for this tax credit if you are

- age 18 or older as of the close of the taxable year,
- not a dependent of another taxpayer, and
- not a full-time student.

The credit is based upon your income (see chart below), and will range from 0 to 50 percent of eligible contributions. In order to determine the amount of your contributions, add all of the contributions made to your IRA and reduce these contributions by any distributions that you have taken during the testing period. The testing period begins two years prior to the year for which the credit is sought and ends on the tax return due date (including extensions) for the year for which the credit is sought. In order to determine your tax credit, multiply the applicable percentage from the chart below by the amount of your contributions that do not exceed \$2,000.

Adjusted Gross Income*			Applicable Percentage
Joint Return	Head of a Household	All Other Cases	
\$1 - \$30,000	\$1 - \$22,500	1 - \$15,000	50
30,001 - 32,500	22,501 - 24,375	15,001 - 16,250	20
32,501 - 50,000	24,376 - 37,500	16,251 - 25,000	10
over 50,000	over 37,500	over 25,000	0

\*Adjusted gross income includes foreign earned income and income from Guam, America Samoa, North Mariana Islands and Puerto Rico.

- E. **TAX-DEFERRED EARNINGS** — The investment earnings of your IRA are not subject to federal income tax as they accumulate in your IRA. Investment earnings distributed from your Traditional IRA will be taxed when the distribution is made. Distributions of your Roth IRA investment earnings will be free from federal income tax if you take a qualified distribution, as defined in the *Taxation of Roth IRA Distributions* section of this Disclosure Statement.
- F. **NONDEDUCTIBLE CONTRIBUTIONS** — You may make nondeductible contributions to your Traditional IRA to the extent that deductible contributions are not allowed. The sum of your deductible and nondeductible IRA contributions cannot exceed your contribution limit (the lesser of the allowable contribution limit described previously, or 100 percent of compensation). You may elect to treat deductible Traditional IRA contributions as nondeductible contributions.

If you make nondeductible contributions for a particular tax year, you must report the amount of the nondeductible contribution along with your income tax return using IRS Form 8606. Failure to file IRS Form 8606 will result in a \$50 per failure penalty.

If you overstate the amount of designated nondeductible contributions for any taxable year, you are subject to a \$100 penalty unless reasonable cause for the overstatement can be shown.

- G. **TAXATION OF ROTH IRA DISTRIBUTIONS** — The taxation of a Roth IRA distribution depends on whether the distribution is a qualified distribution or a nonqualified distribution.
1. **Qualified Distributions** — Qualified distributions from your Roth IRA (both the contributions and earnings) are not included in your income. A qualified distribution is a distribution which is made after the expiration of the five-year period beginning January 1 of the first year for which you made any contribution to any Roth IRA (including a conversion from a Traditional or SIMPLE IRA) and is made on account of one of the following events:
- attainment of age 59½,
  - disability,
  - the purchase of a first home, or
  - death.

For example, if you make a contribution to your Roth IRA for 1998, the five-year period for determining whether a distribution is a qualified distribution is satisfied as of January 1, 2003.

2. **Nonqualified Distributions** — If you do not meet the requirements for a qualified distribution, any earnings you withdraw from your Roth IRA will be included in your gross income and, if you are under age 59½, may be subject to an early distribution penalty. However, when you take a distribution, the amounts you contributed annually to any Roth IRA account will be deemed to be removed first, followed by conversion contributions made to any Roth IRA on a first-in, first-out basis. Therefore, your nonqualified distributions will not be taxable to you until your withdrawals exceed the amount of your annual contributions and your conversion contributions. However, the 10 percent early distribution penalty may apply to conversion contributions distributed within the five-year period beginning with the year in which the conversion occurred. These “ordering rules” are complex. If you have any questions regarding the taxation of distributions from your Roth IRA, please see a competent tax advisor.

H. **TAXATION OF TRADITIONAL IRA DISTRIBUTIONS** — The taxation of Traditional IRA distributions depends on whether or not you have ever made nondeductible Traditional IRA contributions. If you have only made deductible contributions, any Traditional IRA distribution will be fully included in income.

If you have ever made nondeductible contributions to any Traditional IRA, the following formula must be used to determine the amount of any IRA distribution excluded from income:

$$\frac{\text{(Aggregate Nondeductible Contributions)} \times \text{(Amount Withdrawn)}}{\text{Aggregate IRA Balance}} = \text{Amount Excluded from Income}$$

*NOTE:* Aggregate nondeductible contributions include all nondeductible contributions made by you through the end of the year of the distribution (which have not previously been withdrawn and excluded from income). Also note that aggregate IRA balance includes the total balance of all of your IRAs as of the end of the year of distribution and any distributions occurring during the year.

I. **ROLLOVERS AND CONVERSIONS** — Your IRA may be rolled over to an IRA of yours, or may receive rollover contributions. Your Traditional IRA or SIMPLE IRA may be converted to a Roth IRA, provided that all of the applicable rollover and conversion rules are followed. Rollover is a term used to describe a tax-free movement of cash or other property to your IRA from any of your IRAs of the same type, or from your employer’s qualified retirement plan, 403(a) annuity plan, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan to your Traditional IRA. Conversion is a term used to describe the movement of Traditional or SIMPLE IRA assets to a Roth IRA. A conversion is generally a taxable event. The rollover and conversion rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.

1. **Roth IRA to Roth IRA Rollovers** — Funds distributed from your Roth IRA may be rolled over to a Roth IRA of yours if the requirements of Code section 408(d)(3) are met. A proper Roth IRA to Roth IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another Roth IRA to Roth IRA rollover from the distributing Roth IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months. Roth IRA assets may not be rolled over to other types of IRAs (e.g., Traditional IRA, SIMPLE IRA).
2. **Traditional IRA to Traditional IRA Rollovers** — Funds distributed from your Traditional IRA may be rolled over to a Traditional IRA of yours if the requirements of Code section 408(d)(3) are met. A proper Traditional IRA to Traditional IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the

distribution is received. You may not have completed another Traditional IRA to Traditional IRA rollover from the distributing IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months.

3. **SIMPLE IRA to Traditional IRA Rollovers** — Funds may be distributed from your SIMPLE IRA and rolled over to your Traditional IRA without IRS penalty, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. As with Traditional IRA to Traditional IRA rollovers, the requirements of Code section 408(d)(3) must be met. A proper SIMPLE IRA to Traditional IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another SIMPLE IRA to Traditional IRA or SIMPLE IRA to SIMPLE IRA rollover from the distributing SIMPLE IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months.
4. **Employer-Sponsored Retirement Plan to Traditional IRA Rollovers** — You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan. An eligible rollover distribution is defined generally as any distribution from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan (other than distributions to nonspouse beneficiaries), unless it is part of certain series of substantially equal periodic payments, a required minimum distribution, or a hardship distribution.

If you elect to receive your rollover distribution prior to placing it in a Traditional IRA, thereby conducting an indirect rollover, your plan administrator will generally be required to withhold 20 percent of your distribution as a payment of income taxes. When completing the rollover, you may make up the amount withheld, out of pocket, and roll over the full amount distributed from your employer-sponsored retirement plan. To qualify as a rollover, your eligible rollover distribution must be rolled over to your Traditional IRA not later than 60 days after you receive it. Alternatively, you may claim the withheld amount as income and pay the applicable income tax and, if you are under age 59½, the 10 percent early distribution penalty (unless an exception to the penalty applies).

As an alternative to the indirect rollover, your employer generally must give you the option to directly roll your employer-sponsored retirement plan balance to a Traditional IRA. If you elect the direct rollover option, your eligible rollover distribution will be paid directly to the Traditional IRA (or other employer-sponsored retirement plan) that you designate. The 20 percent withholding requirements do not apply to direct rollovers.

***NOTE: You may not roll over distributions from your employer-sponsored retirement plan into your Roth IRA.***

5. **Traditional IRA to Employer-Sponsored Retirement Plans** — You may roll over, directly or indirectly, any eligible rollover distribution from a Traditional IRA to an employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan so long as the employer-sponsored retirement plan accepts such rollover contributions. An eligible rollover distribution is defined as any taxable distribution from a Traditional IRA that is not a part of a required minimum distribution.
6. **Traditional IRA or SIMPLE IRA to Roth IRA Conversions** — If your MAGI is not more than \$100,000, and you are not married filing a separate income tax return, you are eligible to convert all or any portion of your existing Traditional IRA(s) into your Roth IRA(s). You may also convert your SIMPLE IRA to your Roth IRA provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. However, if you are age 70½ or older you must remove your required minimum distribution prior to converting your Traditional or SIMPLE IRA. The amount of the conversion from your Traditional or SIMPLE IRA to your Roth IRA shall be treated as a distribution for income tax purposes, and is includible in your gross income (except for any nondeductible contributions). Although the conversion amount is generally included in income, the 10 percent early distribution penalty shall not apply to conversions from a

Traditional or SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty.

7. **Written Election** — At the time you make a proper rollover to an IRA, or conversion to a Roth IRA, you must designate to the Custodian, in writing, your election to treat that contribution as a rollover or conversion. Once made, the election is irrevocable. If the type of contribution used to establish this IRA is a rollover, as indicated on the Adoption Agreement, you agree that the rollover is an irrevocable transaction pursuant to Regulations Section 1.402(c)-2, Q-13.
- J. **TRANSFER DUE TO DIVORCE** — If all or any part of your IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse's IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another IRA of your spouse), and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one Traditional IRA to another or from one Roth IRA to another.
- K. **RECHARACTERIZATIONS** — If you make a contribution to a Traditional IRA and later recharacterize either all or a portion of the original contribution to a Roth IRA along with net income attributable, you may elect to treat the original contribution as having been made to the Roth IRA. The same methodology applies when recharacterizing a contribution from a Roth IRA to a Traditional IRA. If you have converted from a Traditional IRA to a Roth IRA you may recharacterize the conversion along with net income attributable back to the Traditional IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions), for the year for which the original contribution was made or conversion completed.

## LIMITATIONS AND RESTRICTIONS

- A. **SEP PLANS** — Under a Simplified Employee Pension (SEP) Plan that meets the requirements of Code section 408(k), your employer may make contributions to your Traditional IRA. Your employer is required to provide you with information which describes the terms of your employer's SEP Plan. No SEP contributions may be made to a Roth IRA.
- B. **SPOUSAL IRA** — If you are married and have compensation, you may contribute to a Traditional IRA established for the benefit of your spouse for any year prior to the year your spouse turns age 70½, regardless of whether or not your spouse has compensation. You may make these spousal contributions even if you are age 70½ or older. You must file a joint income tax return for the year for which the contribution is made.

You may contribute to a Roth IRA established for the benefit of your spouse, regardless of whether or not your spouse has compensation, and regardless of your spouse's age. The Roth IRA contribution may be further limited if your MAGI falls within the minimum and maximum thresholds for contribution eligibility. You must file a joint income tax return for the year for which the contribution is made.

The amount you may contribute to your IRA and your spouse's IRA is the lesser of 100 percent of your combined compensation or \$6,000 for 2002-2004, \$8,000 for 2005-2007, and \$10,000 for 2008. This amount may be increased with cost-of-living adjustments in 2009 and beyond. However, you may not contribute more than the individual contribution limit to each IRA.

If your spouse is age 50 or older by the close of the taxable year, and is otherwise eligible, you may make an additional contribution to your spouse's IRA. The maximum additional contribution is \$500 for years 2002-2005, and \$1,000 for years 2006 and beyond.

- C. **DEDUCTION OF ROLLOVERS, TRANSFERS AND CONVERSIONS** — A deduction is not allowed for rollover, transfer, or conversion contributions.
- D. **GIFT TAX** — Transfers of your IRA assets to a named Beneficiary made during your life and at your request, may be subject to federal gift tax under Code section 2501.
- E. **SPECIAL TAX TREATMENT** — Capital gains treatment and 10-year forward income averaging authorized by Code section 402 do not apply to IRA distributions.

- F. *INCOME TAX TREATMENT* — Any withdrawal from your Traditional IRA is subject to federal income tax withholding. Any nonqualified withdrawal of earnings from your Roth IRA may be subject to federal income tax withholding. You may, however, elect not to have withholding apply to your IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.
- G. *PROHIBITED TRANSACTIONS* — If you or your Beneficiary engage in a prohibited transaction with your IRA, as described in Code section 4975, your IRA will lose its tax-deferred status. For Traditional IRAs, you must include the value of your account in your gross income for the taxable year you engage in the prohibited transaction. For Roth IRAs, you must generally include the value of the earnings in your account in your gross income for that taxable year. The following transactions are examples of prohibited transactions with your IRA: (1) taking a loan from your IRA; (2) buying property for personal use (present or future) with IRA funds; or (3) receiving certain bonuses or premiums because of your IRA.
- H. *PLEDGING* — If you pledge any portion of your IRA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for the taxable year in which you pledge the assets. If you designated your IRA as a Roth IRA, the amount pledged will be included in income if it represents a taxable portion of the account (i.e., earnings).

## **FEDERAL TAX PENALTIES**

- A. *EARLY DISTRIBUTION PENALTY* — If you are under age 59½ and receive a nonqualified Roth IRA distribution or Traditional IRA distribution, an additional tax of 10 percent will generally apply to the amount includible in income in the year of the distribution. If you are under age 59½ and receive a distribution of conversion amounts from your Roth IRA within the five-year period beginning with the year in which the conversion occurred, an additional tax of 10 percent will generally apply to the amount of the distribution. The additional tax of 10 percent will generally not apply if a distribution is made on account of 1) death, 2) disability, 3) a qualifying rollover, 4) the timely withdrawal of an excess contribution, 5) a series of substantially equal periodic payments (at least annual payments) made over your life expectancy or the joint life expectancy of you and your Beneficiary, 6) medical expenses which exceed 7.5 percent of your adjusted gross income, 7) health insurance payments if you are separated from employment and have received unemployment compensation under a federal or state program for at least 12 weeks, 8) certain qualified education expenses, 9) first-home purchases (up to a life-time maximum of \$10,000), or 10) a levy issued by the IRS.
- B. *EXCESS CONTRIBUTION PENALTY* — An additional tax of 6 percent is imposed upon any excess contribution you make to your IRA. This additional tax will apply each year in which an excess remains in your IRA. An excess contribution is any amount that is contributed to your IRA that exceeds the amount you are eligible to contribute.
- C. *EXCESS ACCUMULATION PENALTY* — As previously described, you must take a required minimum distribution from your Traditional IRA by your required beginning date for the year you attain age 70½ and by the end of each year thereafter. Your Beneficiary(ies) is required to take certain minimum distributions from your IRA after your death. An additional tax of 50 percent is imposed on the amount of the required minimum distribution which should have been taken but was not.
- D. *PENALTY REPORTING* — You must file IRS Form 5329 along with your income tax return to the IRS to report and remit any additional taxes.

## **OTHER**

- A. *IRS PLAN APPROVAL* — The prototype plan agreement used to establish this IRA has been approved by the IRS and has been issued a favorable opinion letter. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.
- B. *ADDITIONAL INFORMATION* — You may obtain further information on IRAs from your District Office of the IRS. In particular, you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements*, by calling 1-800-TAX-FORM, or by visiting [www.irs.gov](http://www.irs.gov) on the Internet.





